

Republic of the Philippines
Province of Cagayan
TUGUEGARAO CITY

NINTH CITY COUNCIL

COMMITTEE REPORT NO. 291-2024

September 13, 2024

Submitted by:

**COMMITTEE ON TRADE, COMMERCE AND INDUSTRY - LEAD
COMMITTEE ON RULES, LAWS AND ETHICS**

PRESENT:

HON. TIRSO V. MANGADA	- Chairperson (Trade)
HON. GRACE B. ARAGO	- Vice Chairperson (Trade)
	- Member (Rules)
HON. JUDE T. BAYONA	- Vice Chairperson (Rules)
HON. RONALDO S. ORTIZ	- Member (Trade)
HON. ARNEL T. ARUGAY	- Member (Rules) (via zoom)

RESOURCE PERSONS:

MR. MAXIMILAN B. UMOSO	- Head, CEIPC
MR. JERALD R. QUE	- Representative, DTI R02
MR. REINER P. CARDENAS	- Representative, DTI R02
MS. SHAINA SYRA L. BARRERA	- Representative, DTI R02

FOR THE PRESIDING OFFICER:

The joint committees met and deliberated on the referral:

SUBJECT:

Indorsement of the City Mayor, Hon. Maila Rosario S. Ting-Que, on the draft Memorandum of Agreement between the Tuguegarao City Government and the Department of Trade and Industry regarding the implementation of the Dayaw nat Tuguegarao Project for information and appropriate action, certified urgent

FINDINGS:

1. The Department of Trade and Industry (DTI) is the primary coordinative, promotive, facilitative, and regulatory arm of the government for the country's trade, industry, and investment activities; and acts as catalyst for intensified private sector activity in order to accelerate and sustain economic growth.
2. In connection, the Department of Trade and Industry-Competitiveness and Innovation Group (DTI-CIG) developed and is now implementing the Malikhaing Pinoy Program (Creative Philippines Program), which aims to harness Filipino creativity as a key driver of economic growth and recovery through the development of a robust and all-inclusive creative ecosystem in the Philippines and to address the binding constraints that hinder the growth and development of the creative industries, such as the lack of official statistics, limited access to capital, skills mismatch, limited access to new technologies, and limited access to global value chains, thereby increasing the income and employment contribution of the Philippine creative industries.

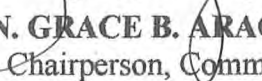
3. The Tuguegarao City Government submitted to DTI a proposal for the implementation of "Dayaw nat Tuguegarao"- Forever Proud of our Cultural Heritage and Tradition, which aims to gather, assemble and market all of the city's creatives; capacitate through workshops and seminars aimed at improving the technical and creative abilities of the city's artists; promote creative start-ups and MSMEs, as well as the establishment of the Tuguegarao City Creative Hub; and to assist all creatives grow their network and demonstrate their artistry and to develop collaboration to improve their industry.
4. The DTI will be allotting a total project cost of One Million Five Hundred Thousand Pesos (PHP 1,500,000.00) for the implementation of "Dayaw nat Tuguegarao"- Forever Proud of our Cultural Heritage and Tradition project while the counter part of the City Government shall co-finance the project equivalent to at least 25% of the total amount transferred by the DTI though its fiscal and non-fiscal contributions as embodied in its Local Investments and Incentives Code (LIIC) which lists down the priority activities and the available incentives to qualified activities.
5. The Tuguegarao City Government and the Department of Trade and Industry recognize the indispensable role of the City's artists, creative start-ups and MSMEs that will provide all creatives grow their network and demonstrate their artistry to improve their industry.


RECOMMENDATION:

Finding the terms and conditions of the Memorandum of Agreement (MOA) to be in order and beneficial to the constituents of Tuguegarao City particularly the creative start-ups and MSMEs, the joint committees recommend the approval of the Memorandum of Agreement between the Tuguegarao City Government and the Department of Trade and Industry relative to the Promotion and Facilitation of "Dayaw nat Tuguegarao" project and authorizing the City Mayor, Hon. Maila Rosario S. Ting-Que, to sign for and on behalf of the Tuguegarao City Government the said MOA.


Respectfully submitted:


HON. TIRSO V. MANGADA
Chairperson, Committee on Trade, Commerce and Industry


HON. GRACE B. ARAGO
Vice Chairperson, Committee on Trade, Commerce and Industry
Member, Committee on Rules, Laws and Ethics


HON. JUDE T. BAYONA
Vice Chairperson, Committee on Rules, Laws and Ethics


HON. RONALDO S. ORTIZ
Member, Committee on Trade, Commerce and Industry


HON. ARNEL T. ARUGAY
Member, Committee on Rules, Laws and Ethics

**DRAFT RESOLUTION APPROVING THE MEMORANDUM OF AGREEMENT (MOA)
WITH THE DEPARTMENT OF TRADE AND INDUSTRY AND GRANTING
AUTHORITY TO THE CITY MAYOR, HON. MAILA ROSARIO S. TING-QUE, TO
SIGN FOR AND ON BEHALF OF THE TUGUEGARAO CITY GOVERNMENT THE
SAID MOA**

WHEREAS, Section 22 (c) of Republic Act (RA) No. 1760 states that no contract may be entered into by the Local Chief Executive in behalf of the Local Government Unit without prior authorization by the Sanggunian concerned;

WHEREAS, Department of Trade and Industry-Competitiveness and Innovation Group (DTI-CIG) developed and is now implementing the Malikhaing Pinoy Program (Creative Philippines Program), which aims to harness Filipino creativity as a key driver of economic growth and recovery through the development of a robust and all-inclusive creative ecosystem in the Philippines and to address the binding constraints that hinder the growth and development of the creative industries, such as the lack of official statistics, limited access to capital, skills mismatch, limited access to new technologies, and limited access to global value chains, thereby increasing the income and employment contribution of the Philippine creative industries;

WHEREAS, the Tuguegarao City Government submitted to DTI a proposal for the implementation of "Dayaw nat Tuguegarao"- Forever Proud of our Cultural Heritage and Tradition, which aims to gather, assemble and market all of the city's creatives; capacitate through workshops and seminars aimed at improving the technical and creative abilities of the city's artists; promote creative start-ups and MSMEs, as well as the establishment of the Tuguegarao City Creative Hub; and to assist all creatives grow their network and demonstrate their artistry and to develop collaboration to improve their industry;

WHEREAS, the DTI will be allotting a total project cost of One Million Five Hundred Thousand Pesos (PHP 1,500,000.00) for the implementation of "Dayaw nat Tuguegarao"- Forever Proud of our Cultural Heritage and Tradition project while the counter part of the City Government shall co-finance the project equivalent to at least 25% of the total amount transferred by the DTI;

WHEREAS, the TUGUEGARAO CITY GOVERNMENT, through its CITY ECONOMIC AND INVESTMENTS PROMOTION CENTER, is mandated to promote and facilitate investments in the area;

WHEREAS, the TUGUEGARAO CITY GOVERNMENT promotes investments through, among others, the grant fiscal and non-fiscal incentives, as embodied in its Local Investments and Incentives Code (LIIC) which lists down the priority activities and the available incentives to qualified activities, as facilitated by CITY ECONOMIC AND INVESTMENTS PROMOTION CENTER;

WHEREAS, it is necessary for Department of Trade and Industry (DTI) to enter into Memorandum of Agreement (MOA) with Tuguegarao City Government to make the Memorandum of Agreement legally binding;

WHEREAS, the City Mayor, Hon. Maila Rosario S. Ting-Que, requested the 9th City Council to grant her an authority to sign for and on behalf of Tuguegarao City Government the said Memorandum of Agreement;

WHEREAS, after thorough deliberation in a committee meeting held for the said purpose, the Committee on Trade, Commerce and Industry as the lead Committee together with the Committee on Rules, Laws, and Ethics found the request to be in order and beneficial to the constituents of Tuguegarao City particularly the creative start-ups and MSMEs;

WHEREAS, after the approval of the matter by the Committee on Trade, Commerce and Industry as the lead Committee and together with the Committee on Rules, Laws and Ethics and adoption of a concomitant committee report, the 9th City Council during its 108th regular session, held on September 17, 2024, deemed it proper and necessary to approved the here in resolution;

NOW, THEREFORE, RESOLVE, as it is hereby **RESOLVED**, to approve the Memorandum of Agreement with the Department of Trade and Industry and to grant authority to the City Mayor, Hon. Maila Rosario S. Ting-Que, to sign for and on behalf of the Tuguegarao City Government the said MOA;

RESOLVED FURTHER, to furnish a copy of this resolution to the **DEPARTMENT OF TRADE AND INDUSTRY (DTI)** for information.

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement is made and entered into by and between:

The **DEPARTMENT OF TRADE AND INDUSTRY – REGION 02**, a national government agency organized and existing under the laws of the Republic of the Philippines with office address at #11 Dalan na Pappabalo, Regional Government Center, Carig Sur, Tuguegarao City, herein represented by its Regional Director, **MA. SOFIA G. NARAG**, and hereinafter referred to as "**DTI**";

and

The **LGU TUGUEGARAO CITY**, a local government unit existing under the laws of the Republic of the Philippines with office address at Regional Government Center, Enrile Boulevard, Carig, Tuguegarao City, herein represented by its Mayor, **HON. MAILA ROSARIO S. TING-QUE**, and hereinafter referred to as "**LGU**".

(Each a "Party" and collectively, the "Parties")

WITNESSETH:

WHEREAS, the national government recognized the potential and opportunities in the Philippine creative industries as President Ferdinand E. Marcos Jr. expressed full support for the promotion and development and the need to institutionalize the creative industries in the first and second State of the Nation Address (SONA);

WHEREAS, the Philippine Development Plan (PDP) 2023-2028 included fostering and improving the competitiveness of the creative industries among the key national strategies, such as spearheading active promotions and building capabilities of creative industries, developing centers of creative excellence, showcasing the assets of the country in creative tourism, and protecting creative workers;

WHEREAS, the Department of Trade and Industry (DTI) is the primary coordinative, promotive, facilitative, and regulatory arm of the government for the country's trade, industry, and investment activities; and acts as catalyst for intensified private sector activity in order to accelerate and sustain economic growth through: (a) a comprehensive industrial growth strategy; (b) a progressive and socially responsible liberalization and deregulation program; and (c) policies designed for the expansion and diversification of trade, both domestic and foreign;

WHEREAS, by virtue of the authority of the Secretary of Trade and Industry under Section 2 of Executive Order (E.O.) No. 124, Series of 1994, to make operational/structural adjustments in the DTI in order to achieve effectiveness and efficiency in accomplishing the DTI's mandate, the Secretary issued Department Order 19-18, Series of 2019, creating the office of the Competitiveness and Innovation Group, which is mandated to help build the innovation and entrepreneurship ecosystem in the country and provide support to industries;

WHEREAS, in connection therewith, the DTI-CIG developed and is now implementing the Malikhaing Pinoy Program (Creative Philippines Program), which aims to harness Filipino creativity as a key driver of economic growth and recovery through the development of a robust and all-inclusive creative ecosystem in the Philippines and to address the binding constraints that hinder the growth and development of the creative industries, such as the lack of official statistics, limited access to capital, skills mismatch, limited access to new technologies, and limited access to global value chains, thereby increasing the income and employment contribution of the Philippine creative industries;

WHEREAS, considering that the DTI Malikhaing Pinoy Program was generally developed and executed to provide robust opportunity and avenue for the development and competencies of the Philippine creative industries, the Congress, under the Summary of Appropriations by Agency

Program, Activity, and Project for Issuance of Special Allotment Release Order (SARO), National Budget Circular (NBC) No. 590, dated 03 January 2023, and its validity further extended as FY 2023 GAA Continuing Appropriations under NBC No. 592, dated 2 January 2024, allotted a budget in favor of DTI for such purpose, i.e. for the Malikhaing Pinoy Program;

WHEREAS, to address the several constraints to the growth and potential of the Philippine creative industries across the archipelago, the DTI has designed the "*Lunsod Lunsad*" program under the Malikhaing Pinoy Program, whereby the LGU was invited to propose to the DTI programs, projects, and activities that would bolster the potential of the LGU's local creative industries;

WHEREAS, considering that the "*Lunsod Lunsad*" program generally involves the active participation, strategic communication, cooperation, and collaboration with and among the local government units (LGUs), the DTI acknowledges the vital role of its Regional Offices in the successful implementation of the aforementioned project, as the latter are the ones mandated pursuant to Book IV, Chapter V, Section 26 of the E.O. No. 292 (Administrative Code of 1987), to implement laws, policies, plans, programs, rules, and regulations of the department or agency in the regional area, and empowered to coordinate with LGUs in the area;

WHEREAS, in consonance with the declaration of State policy provided under the Philippine Creative Industries Development Act (PCIDA), to promote and support the development of Philippine creative industries by protecting and strengthening the rights and capacities of creative firms, artists, artisans, creators, workers, indigenous cultural communities, content providers, and stakeholders in the creative industries, the DTI acknowledges the importance of collaboration, partnership, and strategic linkages towards the creation of a creative cities network to promote an avenue of mutual support and exchange of ideas among LGUs;

WHEREAS, pursuant to the abovementioned policy and mandate of the State to promote and support the Philippine creative industries, the LGU submitted to DTI a proposal for the implementation of "**Dayaw nat Tuguegarao**" - **Forever Proud of our Cultural Heritage and Tradition**, which aims to *gather, assemble and market all of the city's creatives; capacitate through workshops and seminars aimed at improving the technical and creative abilities of the city's artists; promote creative start-ups and MSMEs, as well as the establishment of the Tuguegarao City Creative Hub; and to assist all creatives grow their network and demonstrate their artistry and to develop collaboration to improve their industry;*

WHEREAS, consistent to the foregoing, the Parties, in order to further strengthen the shared common goals and objectives towards achieving a globally competitive Philippine creative industries, through strategic cooperation, mutual support, and alignment of the shared mandate, have agreed to enter into an Agreement of an inter-agency transfer of fund in favor of the LGU TUGUEGARAO CITY in order to successfully implement the "**Dayaw nat Tuguegarao**" – **Forever Proud of our Cultural Heritage and Tradition**;

WHEREAS, as part of the guidelines for the Lunsod Lunsad project, the LGU must co-finance its project in the amount equivalent to at least 25% of the total amount transferred by the DTI to the participating city, ensuring shared responsibility and commitment in achieving the intended outcomes;

WHEREAS, the total project cost of **One Million Five Hundred Thousand Pesos (PHP 1,500,000.00)**, inclusive of all taxes and fees, shall be sourced from the DTI budget allocated for the purpose under the 2023 General Appropriations Act (Continuing Appropriations as provided under National Budget Circular No. 592, dated 2 January 2024);

WHEREAS, the funding from DTI Malikhaing Pinoy is transferred to **DTI Region 02**, where the participating cities establishes this Memorandum of Agreement (MOA);

WHEREAS, the downloaded funds to the DTI-RO is considered disbursed and utilized by the DTI-CIG once the DTI-Finance Service (FS) has approved and successfully processed all fund transfer documents.

NOW THEREFORE, for and in consideration of the foregoing premises and mutual covenants hereinafter set forth, the Parties have agreed, as they hereby agree, to the following:

- I. **TITLE OF THE PROJECT.** The Project shall be named "*Dayaw nat Tuguegarao*" – *Forever Proud of our Cultural Heritage and Tradition*, herein referred to as the "Project".
- II. **PURPOSE OF THE PROJECT.** The purpose of this Agreement is to provide funding support or transfer of funds to implement the "*Dayaw nat Tuguegarao*" – *Forever Proud of our Cultural Heritage and Tradition*, upon which the LGU TUGUEGARAO CITY shall be the implementing agency while the DTI shall be the source agency of the funds.
- III. **OBJECTIVES OF THE PROJECT.** The Project, in pursuit of leveling up the robust implementation of the PCIDA, is intended to provide funding support in favor of the LGU, in order to successfully execute the Project, which is further described as follows:

"Dayaw nat Tuguegarao" – Forever Proud of our Cultural Heritage and Tradition

The Project aims to address the following objectives:

- a. To gather, assemble and market all of the city's creatives.
- b. To capacitate through workshops and seminars aimed at improving the technical and creative abilities of the city's artists.
- c. To promote creative start-ups and MSMEs, as well as the establishment of the Tuguegarao City Creative Hub
- d. To assist all creatives grow their network and demonstrate their artistry and to develop collaboration to improve their industry

IV. OBLIGATIONS OF THE PARTIES

SECTION 1. Responsibilities of the DTI. Subject to its mandates, the purpose/intent of this Agreement, availability of funds, resources, and limitations set forth under the applicable laws, rules, and regulations, the DTI shall:

- a. Authorize the release and transfer of funds to the LGU with the total amount of **One Million Five Hundred Thousand Pesos (PHP 1,500,000.00)**, inclusive of taxes and fees, to support the implementation of the strategic projects mentioned above, and ensure that the transfer is properly taken up in the books of DTI;
- b. Issue checks or any acceptable remittance documents reflecting the total amount mentioned above, in the name of the LGU;
- c. Issue official receipt evidencing refund/unexpended/unutilized balance of fund transfer remitted by the LGU, if any;
- d. Require the LGU to submit duly audited financial reports and other documents as required under Commission on Audit (COA) Circular No. 94-013 and applicable laws or rules on fund transfer;
- e. Monitor the proper utilization of the Project fund support that was released to the LGU as the implementing agency; and
- f. Assist and actively monitor the promotion, implementation, and development of the Project.

SECTION 2. Responsibilities of the LGU. Subject to its mandates, the purpose/intent of this Agreement, resources, and limitations set forth under the applicable laws, rules, and regulations, the LGU shall:

- a. Issue official or acknowledgement receipts, whichever is applicable, immediately upon receipt of funds from DTI with the total amount of **One Million Five Hundred**

Thousand Pesos (PHP 1,500,000.00), inclusive of taxes and fees, and ensure that the transfers are properly taken up in the books of the LGU;

- b. Administer, manage, and disburse the funds from DTI for the intended purpose and in accordance with the existing government accounting and auditing rules and regulations;
- c. Co-finance the Project, through financial and/or non-financial contributions, in the amount equivalent to at least 25% of the total amount transferred by the DTI;
- d. Undertake, as deemed necessary, procurement of goods and/or services, and hiring or onboarding of third parties, and other miscellaneous expenses, to achieve the objective of the Project, subject to applicable laws and government procurement, budgeting, accounting, and auditing rules and regulations;
- e. Return to DTI any unutilized balance of the fund transfer within thirty (30) working days after the completion of the Project;
- f. Prepare a duly approved report of funds transfers and reports of disbursements of funds, and submit all supporting and pertinent documents required to DTI within thirty (30) working days after the conclusion of the Project as well as such other requirements in accordance with COA Circular No. 94-013 and other applicable government accounting and auditing rules and regulations;
- g. Submit to DTI documents related to the Project, which shall include, but not limited to, a comprehensive Project Plan, Work and Financial Plan, Project Proposal, or any other document that can provide information about the implementation and funding requirements of the Project;
- h. Coordinate with DTI the progress and development of the Project;
- i. Implement the activities under the Project;
- j. Provide updates periodically to DTI and concerned agencies on the progress and development of the Project;
- k. Ensure the complete and successful execution of the approved Project Plan; and
- l. Submit a Project Terminal Report including all the required attachments (i.e. Certificate of Completion duly signed by the City Mayor, Attendance/Participants & Beneficiaries (with actual number), and Photos/Videos) within seven (7) days upon the end of the implementation of the activities of the Project following the recommended template by the DTI, which shall include post-implementation assessment/evaluation, and recommendations for improvement of the Project and such other reports as may be required;
- m. Use "Lunsod Lunsad" as part of the official event name;
- n. Acknowledge the **DTI's Malikhaing Pinoy Program** and the **"Bagong Pilipinas"** campaign of the current administration, pursuant to Memorandum Circular No 24, series of 2023, in all project-related materials, publications, and public communications.
- o. Perform other tasks that are related and incidental to the implementation of the Project and utilization of the fund, including compliance with Lunsod Lunsad program guidelines, all of which shall be considered part of this agreement

SECTION 3. The DTI and the LGU shall comply with the guidelines set forth under COA Circular No. 94-013, COA Circular 2012-001, COA Circular 2016-002, and other applicable government accounting and auditing rules and regulations.

V. **EFFECTIVITY OF THE AGREEMENT.** This Agreement shall take effect on the date of signing by both Parties hereto and shall continue to take effect until 31 December 2024, with the option for renewal and extension on written mutual consent of both Parties.

VI. **COST AND SCHEDULE OF RESPONSIBILITIES**

SECTION 1. Cost. The total cost of the Project is **One Million Five Hundred Thousand Pesos (PHP 1,500,000.00)**, inclusive of all taxes and fees, and subject to applicable laws and government procurement, budgeting, accounting, and auditing rules and regulations, which shall cover the expenses for the hiring and onboarding of third party and other miscellaneous expenses if necessary to achieve the objectives of the Project. Procurement must strictly adhere to applicable government procurement law and its implementing rules and regulations.

The fund for the Project shall be transferred in full to the Land Bank of the Philippines Account Number [Insert LGU Land Bank Account Number] within thirty (30) days upon the signing of this Agreement.

SECTION 2. Schedule of Responsibilities. The cost of the Project shall be transferred in full with the corresponding responsibilities:

RESPONSIBILITIES	SCHEDULE	COST
Submission and Approval of the Project Plan including but not limited to the Work and Financial Plan	Within one (1) month prior the transfer of funds	PHP 1,500,000.00
Complete Execution of the Project Plan	Until 30 November 2024	
Submission of the Project Terminal Report	Within one (1) month after the completion of the Project	

SECTION 3. Disbursement of Funds. Disbursement and accounting of funds shall be in accordance with pertinent and existing government accounting and auditing rules and regulations. For any excess in the fund, the LGU shall return the same to the DTI.

VII. **RESTRICTIONS ON THE TRANSFER OF FUNDS.** The transferred funds shall be used exclusively for the specified purpose of this Agreement. In no case shall the fund to be transferred be utilized for the payment of additional compensation to employees in the form of allowances, incentives, incentive pay, bonuses, honorarium, or other forms of additional compensation nor shall it be used to create new positions to augment salaries of regular personnel or purchase of motor vehicles.

VIII. **AMENDMENTS.** This Agreement may be revised, amended, or modified only through a written instrument duly executed and signed by all Parties hereto and executed with the same formality as this Agreement.

IX. **ENTIRE AGREEMENT.** This Agreement, including attachments hereto, constitutes the entire Agreement between the Parties concerning the subject matter hereof, supersedes all prior communications or agreements, written or oral, and is intended to be a complete and exclusive statement of the terms and conditions between the Parties.

X. **CONFIDENTIALITY CLAUSE.** The Parties shall not, during the term of this Agreement, disclose any proprietary and confidential information relating to programs and activities and this Agreement, including all data that may be received or gathered in the performance of its obligation without prior written consent.

The Parties acknowledge that in connection with this Agreement, it may receive certain confidential or proprietary technical and business information and materials of the other Party, including, without limitation to, Preliminary Works ("Confidential Information"). Each Party, its agents and employees, shall hold and maintain in strict confidence all confidential information and shall not disclose confidential information to any third party, and shall not use any confidential information except as may be necessary to perform its obligations under the proposal except as may be required by a court or governmental authority. Notwithstanding the foregoing, confidential information shall not include any information that is in the public domain or becomes publicly known through no fault of the receiving Party or is otherwise properly received from a third party without an obligation of confidentiality.

XI. REPRESENTATIONS AND WARRANTIES. Both Parties represent and warrant that:

- a. Both have the legal right, power, and authority to execute this Agreement and incur the obligations provided in this Agreement or any other document related thereto;
- b. All appropriate and necessary corporate and legal actions have been taken to authorize the execution, delivery, and performance of this Agreement and any other document in relation thereto, including the authority of the person or persons executing this Agreement;
- c. This Agreement shall constitute a legal, valid, and binding obligation, enforceable in accordance with its terms; and
- d. All information herein or hereinafter given in connection with this Agreement shall be true and correct in all material respects.

XII. MISCELLANEOUS PROVISIONS

- a. The Parties undertake to act in good faith with respect to each other's rights and obligations under this Agreement and to adopt all reasonable measures to ensure the satisfactory realization of the objectives of this Agreement promptly within the specified timelines and to ensure proper utilization of the Project fund.

In case of force majeure or a similar condition, which may result in the delay or prevent the timely completion or fulfillment of this Agreement, the Party with knowledge thereof shall notify the other in writing, specifying the cause and its implications and consequences on this Agreement, and adopt a remedy favorable to both Parties. The DTI shall evaluate the situation and may extend the LGU's time for performance, in which case the extension shall be ratified by the Parties through amendment of this Agreement.

- b. Any dispute, conflict, or concerns arising out of or related to this Agreement, the same shall be resolved or settled amicably through mutual consultations and/or negotiations by and between the Parties in good faith. If the Parties fail to reach a settlement, the Parties shall resolve their conflict through the alternative modes of dispute resolution pursuant to RA 9285 or the "Alternative Dispute Resolution Act of 2004".
- c. DTI and the LGU acknowledge that both are independent Parties who agreed to participate in this Agreement and that nothing herein shall be construed to consider the Parties as having a relationship of employer or employee, franchisor or franchisee, principal or agent, or joint venture partners.
- d. Each Party undertakes not to divulge at any time to any third person any confidential information relating to the other, except upon prior written consent of the other or where required under the law or regulation or by a valid order of a court or other government authority with competent jurisdiction.

In performance of their obligations under this Agreement, the Parties shall ensure the privacy and security of any and all confidential, privileged, personal, and/or sensitive information that the Parties, their officers, employees, or agents may have access to; and shall store, use, process, and dispose the said information in accordance with Republic Act No. 10173 or the Data Privacy Act of 2012, and its Implementing Rules and Regulations (IRR) and applicable National Privacy Commission (NPC) issuances. Any violation of this clause and any of the provisions of the said law and issuances by the aforementioned persons shall be subject to corresponding sanctions, penalties, and/or fines under the said law without prejudice to any other applicable civil and/or criminal liability. This clause shall survive the termination or expiration of this Agreement.

- e. No agent or representative of either Party has the authority to make any statement, representation, promise, or agreement not set forth herein for which the Parties shall not be bound by or be liable.
- f. No failure, omission, or delay by any of the Parties in exercising any of its rights, privileges, or remedies hereunder or under any statute shall operate as a waiver thereof. Any waiver, however, shall not be valid unless made in writing and signed by the Parties or their authorized representative, and such waiver shall be effective only in the specific instance and the purpose for which it was given.
- g. Tools, equipment, outputs, and related materials resulting from this Agreement shall belong to and remain the property of the DTI. Unless otherwise authorized by law, no use or exploitation, in any manner, whether for profit or otherwise, of any of the said outputs or materials created under this Agreement shall be made by the LGU or any third party without the prior written approval of the DTI.

In case there are third-party claims of infringement of intellectual property rights, the LGU shall hold the DTI free and harmless against such claims.

In any and all cases, all intellectual properties produced and/or used in the course of the implementation of this Agreement shall be subject to Republic Act No. 8293 or the Intellectual Property Code of the Philippines, as amended, and its IRR and to the applicable provisions of the Civil Code.

- h. Other applicable government rules and guidelines on procurement, budgeting, accounting, auditing, and contract implementation are deemed incorporated herein.

XIII. SEVERABILITY. This Agreement shall not be in conflict with existing laws, legal orders, procedures, or rules and regulations, otherwise, the pertinent provisions violating or conflicting with the same shall be void. If any provision of this Agreement is held invalid or declared contrary to law, the validity of the other conditions or provisions shall not be affected.

XIV. PRE-TERMINATION. The Parties may, at any time and upon thirty (30) calendar days' prior written notice, terminate this Agreement for any of the following reasons:

1. Violation of any of the material terms and conditions of this Agreement;
2. Failure or refusal to comply with the duties and responsibilities of each Party under this Agreement; or
3. Circumstances that would make it impossible for the Project to continue or to be carried out; and
4. Any justifiable reason.

XV. **GOVERNING LAW AND VENUE OF ACTION.** This Agreement shall be governed in all respects by Philippine laws.

IN WITNESS WHEREOF, the Parties have hereunto set their hands this day of _____ day of _____, in the year of 2024.

**DEPARTMENT OF TRADE AND
INDUSTRY**

LGU TUGUEGARAO CITY

MA. SOFIA G. NARAG, CESO V
Regional Director, DTI R2

HON. MAILA ROSARIO S TING-QUE
Mayor, LGU Tuguegarao City

Signed in the presence of:

CHEEZA LEIA C. TAGARINO
CTIDS, DTI R2

**[INSERT NAME OF AUTHORIZED
WITNESS]**
[Insert Designation], [Insert Name of LGU]

ACKNOWLEDGMENT

Republic of the Philippines)
City of Tuguegarao) S.S.

BEFORE ME, a Notary Public for and in the above-named locality, this ___ day of _____, 2024, personally appeared the following persons:

Name	ID Presented/No.	Date and Place of Issue
MA. SOFIA G. NARAG		
HON. MAILA ROSARIO S. TING-QUE	[Insert ID details]	[Insert ID details]

known to me through competent evidence of identity and to me known to be the same persons who executed the foregoing instrument, and acknowledged to me that the same is their free and voluntary act and deed, and those of the entities or associations they represent.

This instrument, consisting of [Insert Number of Pages in Words] ([Insert Number of Pages in Figures]) pages including this page whereon this Acknowledgment is written, has been signed by the Parties and their instrumental witnesses on each and every page thereof.

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

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2024.