



Republic of the Philippines  
**DEPARTMENT OF AGRICULTURE**  
Office of the Secretary  
Elliptical Road, Diliman, Quezon City, 1100 Philippines

Department Circular No. 17  
Series of 2018

**SUBJECT : GUIDELINES FOR THE CLASSIFICATION AND ACCREDITATION  
OF AGRICULTURAL AND FISHERIES MACHINERY ASSEMBLERS,  
MANUFACTURERS, IMPORTERS, DISTRIBUTORS AND  
DEALERS**

Pursuant to Section 22 of Republic Act No. 10601 (*Agricultural and Fisheries Mechanization Law of 2013*) and its Implementing Rules and Regulations, this Guidelines for the classification and accreditation of agricultural and fisheries machinery assemblers, manufacturers, importers, distributors and dealers is hereby prescribed and promulgated to prevent the proliferation of "fly-by-night" Suppliers and to serve as a guide for the procurement of agricultural and fisheries machinery and equipment from duly accredited Suppliers.

## **ARTICLE I GENERAL PROVISIONS**

### **Section 1. OBJECTIVES**

The objectives of this Guidelines are as follows:

1. Set criteria for the classification and accreditation of agricultural and fisheries machinery Suppliers into small, medium and large entities based on their organizational strengths and track record, area of operation, marketing and distribution network, after-sales service and manufacturing capabilities;
2. Classify and accredit Suppliers of agricultural and fisheries machinery and equipment;
3. Present the composition and functions of the NAMDAC Board, and its Advisory Body;
4. Enhance the procurement process of concerned government agencies; and
5. Publish updated list of accredited agricultural and fisheries machinery Suppliers in the PCAF website.

### **Section 2. SCOPE**

This Guidelines shall be used to classify and accredit local agricultural and fisheries machinery Suppliers of DA.

### Section 3. **DEFINITION OF TERMS**

For the purpose of this Circular, the following definitions shall apply:

- a. **Accreditation** - act of officially recognizing any Supplier for meeting the pre-set parameters/criteria to assemble/manufacture/import/distribute agricultural and fisheries machinery;
- b. **After-sales service** - consists of parts and services provided by the manufacturers/distributors/dealers to the end-user to ensure continuous serviceability of agricultural and fisheries machinery;
- c. **Agricultural and Fisheries Machinery** - refers to machinery and equipment for producing, harvesting, processing, storing, manufacturing, preserving, transporting and distributing agricultural and fisheries products and by-products. It includes, but is not limited to tractors and their attachments, power tillers, seeders, transplanters, windmills, harvesting machines, crop protection and maintenance equipment, irrigation equipment and accessories, greenhouses and other thermal conditioning equipment, livestock equipment, fishery equipment, slaughtering equipment, meat/fishery and crop processing equipment, post-harvest machines such as dryers, threshers, milling machines, fiber extraction machines, agricultural transport machinery and storage facilities including cold storage, reefer vans and fishing boats of three (3) gross tons or less;
- d. **Assembler** - refers to any entity involved in the assembly using individual parts and components for the production of agricultural and fisheries machinery to be offered in the market;
- e. **Batch/Mass Production** - mode of production where multiple items of agricultural and fisheries machinery are manufactured in bulk;
- f. **Classification** - refers to the classification of agricultural and fisheries machinery Suppliers into small, medium or large entities according to the pre-set parameters in this Guidelines;
- g. **Company owned** - a Supplier should have at least 60% share of the company;
- h. **Dealer** - authorized representative of distributors and/or manufacturers to supply, trade, sell and service agricultural and fisheries machinery to end-users;
- i. **Distributor** - trading entity authorized by foreign and local Suppliers and/or manufacturers to distribute agricultural and fisheries machinery to dealers;
- j. **"Fly-by-Night" Supplier** - an entity that takes advantage of an opportunity to make a quick profit; it does not have relevant experience, manpower, parts and after-sales-service logistics for the product being offered;



- k. **Importer** - refers to any trading entity involved in the business of importing of agricultural and fisheries machinery from any point outside the Philippines either for its own use or for trading purposes;
- l. **Manufacturer** - refers to any manufacturing entity involved in the production and distribution of agricultural and fisheries machinery;
- m. **NAMDAC Certificate of Accreditation (CoA)** - refers to the certificate issued by the NAMDAC Board to agricultural and fisheries machinery Suppliers which will pass the pre-set parameters/criteria in this Guidelines;
- n. **National** - the Supplier should have atleast one (1) company owned operating in atleast two (2) islands - Luzon, Visayas and Mindanao;
- o. **Provincial** - coverage of operation includes the provinces within a region;
- p. **Regional** - coverage of operation is within an island only - either Luzon, Visayas or Mindanao;
- q. **Supplier** - refers to any entity that assembles/manufactures/imports/distributes agricultural and fisheries machinery and its parts to customers; can also be an assembler, manufacturer, importer, distributor and dealer.

The following acronyms are used in this Circular:

<b>AMMDA</b>	- Agricultural Machinery Manufacturers and Distributors Association, Inc.
<b>BAC</b>	- Bids and Awards Committee
<b>BAFE</b>	- Bureau of Agricultural and Fisheries Engineering
<b>BIR</b>	- Bureau of Internal Revenue
<b>CDA</b>	- Cooperative Development Authority
<b>DA</b>	- Department of Agriculture
<b>DILG-BLGS</b>	- Department of Interior and Local Government - Bureau of Local Government Supervision
<b>DOST-MIRDC</b>	- Department of Science and Technology - Metals Industry Research and Development Center
<b>DTI-PCAB</b>	- Department of Trade and Industry - Philippine Contractors Accreditation Board
<b>MIAP</b>	- Metalworking Industries Association of the Philippines, Inc.
<b>NAMDAC</b>	- National Agricultural and Fisheries Machinery Assemblers, Manufacturers, Importers, Distributors and Dealers Accreditation and Classification
<b>PCAF</b>	- Philippine Council for Agriculture and Fisheries
<b>PRB-ABE</b>	- Philippine Regulatory Board - Agricultural and

	Biosystems Engineering
<b>PSABE</b>	- Philippine Society of Agricultural and Biosystems Engineers
<b>SEC</b>	- Securities and Exchange Commission
<b>SPA</b>	- Special Power of Attorney
<b>UPLB-AMTEC</b>	- University of the Philippines Los Baños – Agricultural Machinery Testing and Evaluation Center

**ARTICLE II**  
**NATIONAL AGRICULTURAL AND FISHERIES MACHINERY ASSEMBLERS,  
MANUFACTURERS, IMPORTERS, DISTRIBUTORS AND DEALERS ACCREDITATION  
AND CLASSIFICATION (NAMDAC) BOARD AND ITS ADVISORY BODY**

**Section 4. COMPOSITION OF THE NAMDAC BOARD**

The NAMDAC Board shall be composed of four (4) seats from private organizations/associations and one (1) seat from the government sector, specifically:

Private Sector

- AMMDA - 2 seats
- PSABE - 1 seat
- MIAP - 1 seat

Government Sector

- BAFE

The Chairperson and Vice Chairperson shall be elected by the NAMDAC Board members, and shall come from the private sector.

The Advisory Body of the NAMDAC Board shall be composed of representatives from the following organizations/agencies:

- DOST- MIRDC
- DTI-PCAB
- UPLB-AMTEC
- PRB-ABE
- DILG-BLGS
- DA – Legal Service

**Section 5. TERM OF OFFICE**

The term of office of the NAMDAC Board Chairperson and Vice-Chairperson shall be three (3) years. An election shall be held thereafter. The organization/agency-members representative/s to the Board and its



Advisory Body shall be officially nominated and designated by their respective Heads of Office. The Secretary of Agriculture, through a Special Order, shall issue appointment to the NAMDAC Board.

**Section 6. DUTIES AND RESPONSIBILITIES**

The NAMDAC Board shall strengthen the capability of the industry to develop and provide quality products and services for the benefit of its stakeholders. Furthermore, it shall accredit and classify present Suppliers of DA in agricultural and fisheries machinery and equipment, and undertake policy advocacy pertaining to agricultural and fishery mechanization.

The NAMDAC Board shall be primarily tasked to classify and accredit agricultural and fisheries machinery Suppliers into small, medium and large entities based on their organizational strengths and track records, area of operation, marketing and distribution network, after-sales service and manufacturing capabilities. Specifically, it shall:

1. Prepare guidelines and procedures on the classification and accreditation of agricultural and fisheries machinery Suppliers for approval by the Secretary of the Department of Agriculture;
2. Prepare and implement a program that promotes and encourages manufacturing/service facility build-up and complementation of resources and expertise among agricultural and fisheries machinery Suppliers;
3. Promote joint venture partnership with local and foreign investors;
4. Prepare and recommend rules and regulations to prevent proliferation of "fly-by-night" Suppliers and distribution of sub-standard agricultural and fisheries machinery and equipment;
5. Coordinate, validate and monitor the implementation of the accreditation and classification Guidelines with the concerned agencies; and
6. Submit annual plan of activities of the Board to the Department of Agriculture and other relevant agencies.

**Section 7. FUNCTIONS OF THE ADVISORY BODY**

The NAMDAC Board Advisory Body shall be tasked to provide technical assistance and recommendations as well as participate in the meetings, consultations, workshops, or any other activities of the NAMDAC Board.

**Section 8. SECRETARIAT, ADMINISTRATIVE, AND LOGISTICAL SUPPORT**

The PCAF - Interim Agricultural and Fishery Mechanization and Engineering Unit (AFMEU), as per Special Order (SO) No. 238, Series of 2018, shall act as the NAMDAC Secretariat by providing the necessary technical, logistical and administrative support to the operation of the

NAMDAC Board, pending the approval of plantilla positions for the PCAF – Agricultural and Fishery Mechanization and Engineering Division (AFMED).

Section 9. **FUNDING**

The expenses to be incurred for the operation of the NAMDAC Board and its Advisory Body, which include meals during meetings/consultations, and the travelling expenses of the private-sector members shall be charged against the PCAF Fund 101, while the travelling expenses of the member-representatives from the government agencies shall be charged against their respective agencies' funds.

**ARTICLE III**

**CLASSIFICATION OF AGRICULTURAL AND FISHERIES MACHINERY SUPPLIERS**

Section 10. **RATING SCHEME FOR THE SIZE CLASSIFICATION OF AGRICULTURAL AND FISHERIES MACHINERY SUPPLIERS**

The agricultural and fisheries machinery Suppliers shall be classified into small, medium and large entities according to the pre-set parameters to facilitate in the bidding/procurement process. Given the issues and concerns on DA's procurement of agricultural and fisheries machinery, the Head of Procuring Entity (HOPE) shall require the NAMDAC CoA from the participating Suppliers in the bidding process to ensure the distribution of good quality agricultural and fisheries machinery to farmer beneficiaries be it loan or grant.

Through the NAMDAC, any entity will have a chance to be awarded with a project as long as they meet the minimum requirements for the completion of a project. Also, classified as small suppliers could enter into a joint venture with medium or large Suppliers to give them the opportunity to upgrade their products and status.

The pre-set rating scheme with a maximum of 10 points for each parameter shall be used by the Board to classify agricultural and fisheries machinery Supplier into small, medium or large entities.

The parameters to be evaluated/rated by the Board are as follows:

Parameters	Maximum Points
1. Current value (Net worth)	10
2. Number of years in business	10
3. Area of operation	10
4. After-sales service	10



5. Operational equipment present	10
6. a) Organizational structure for manufacturing	10
b) Organizational structure for marketing	10
7. Annual volume of sales (with proof of sales and audited financial statement)	10

Size Classification Rating:

1. Add up all equivalent points for all applicable parameters and divide by the number of parameters to come up with the average points score.
2. Classify the Suppliers according to size using the following rating scale:

< 4 points      Small  
4 to 7 points    Medium  
> 7 points      Large

#### ARTICLE IV

### ACCREDITATION OF AGRICULTURAL AND FISHERIES MACHINERY SUPPLIERS

#### Section 11. REQUIREMENTS FOR THE ACCREDITATION OF AGRICULTURAL AND FISHERIES MACHINERY SUPPLIERS

The agricultural and fisheries machinery assembler, manufacturer, importer, distributor and dealer shall apply for NAMDAC by submitting (personal or a PDF file format through e-mail) the complete set of requirements to the Secretariat.

After initial/preliminary review and validation by the Secretariat, all relevant documents and initial report shall be endorsed to the NAMDAC Board for their final review and assessment. An on-site validation shall be conducted by the NAMDAC Board with the assistance of the Secretariat, if found necessary.

The process flow chart of the accreditation procedures is marked as Annex A of the Guidelines.

The following information/requirements shall be completely submitted through the Secretariat of the NAMDAC Board for validation of documents for accreditation:

A. Company

1. Fully accomplished and notarized application for accreditation  
(Please refer to NAMDAC Form 01)
2. Certified Photocopy of Certificate of registration issued by  
SEC/CDA/DTI (Certified True Copy)
3. Articles of Incorporation/Partnership
4. Company Profile (Please refer to NAMDAC Form 02)
5. Authority to sign and transact (In case of corporations, a board  
resolution. In case of single proprietorship, SPA.)
6. Certified Photocopy of Latest Audited financial statements  
(Properly received by the BIR)
7. Certified Photocopy of Income tax returns for the last 3 years  
(Properly received by the BIR)
8. Certificate of distributorship /dealership (authorized) issued by  
the suppliers, if applicable
9. Certified Photocopy of Certificate(s) of Acceptance for completed  
agricultural and fisheries contracts with private and/or  
government entities for the last 3 years
10. Personal Data Sheet of all technicians/technical personnel  
indicating proof of employment such as Social Security System  
(SSS) No., Philippine Health Insurance No., Tax identification  
Number (TIN), and Home Development Mutual Fund  
(HDMF)(Please refer to NAMDAC Form 03)
11. List of employees indicating positions and qualifications as  
certified by the Company Secretary/HRD of the company. (Please  
refer to NAMDAC Form 04)

The agricultural and fisheries machinery suppliers shall engage the services of at least one (1) Agricultural and Biosystems Engineer as part of their technical personnel per Section 13 (c) of R.A. No. 10601. However, agricultural and fisheries machinery suppliers classified as 'small' may enter into a joint venture with bigger entities to be able to qualify for the said requirement.

12. Certified Photocopy of Current Year Business Permit

B. Products

1. List of products distributed and/or manufactured with the  
following information (Please refer to NAMDAC Form 01):
  - Date of introduction (in the country)
  - Brand
  - Model
  - Country of origin
  - Certificate of dealership/distributorship, if applicable
2. List of Dealers, if applicable(Please refer to NAMDAC Form 01)



**Section 12. NAMDAC CERTIFICATE OF ACCREDITATION (CoA)**

The NAMDAC CoA shall be issued within thirty (30) calendar days upon submission and validation of complete requirements submitted by the Suppliers. The NAMDAC Certificate of Accreditation (CoA) shall be approved/signed by the NAMDAC Board Chairperson and the PCAF Executive Director. However, the NAMDAC Board will not issue NAMDAC CoA to blacklisted Suppliers.

The list of all NAMDAC accredited agricultural and fisheries Suppliers will be published in the PCAF website. It shall be updated quarterly.

The sample template of the NAMDAC CoA is marked as Annex B of this Guidelines.

The CoA shall include the following information:

- a. Name and Address of the Supplier
- b. Classification: Small, Medium or Large
- c. Type of Entity: Manufacturer, Assembler, Importer, Distributor, Dealer
- d. Date issued
- e. Expiration date of NAMDAC CoA
- f. Accreditation Number
- g. Signature of the PCAF Director and NAMDAC Chairperson

**Section 13. VALIDITY OF NAMDAC CoA**

The NAMDAC CoA issued shall be valid for five (5) years from the date of issuance. The same may be suspended or revoked based on the grounds enumerated under Section 15 with proper notice to the holder thereof.

**Section 14. RENEWAL OF NAMDAC CoA**

The requirements for the renewal of NAMDAC CoA shall be submitted at least ninety (90) calendar days before the expiration of NAMDAC CoA.

The following requirements shall be re-submitted by the applicant for the renewal of accreditation:

**A. Company**

1. Existing NAMDAC Certificate of Accreditation
2. Duly accomplished and notarized application for renewal of accreditation (NAMDAC Form 01)
3. Latest Audited financial statements (Properly received by the BIR)
4. Income tax returns for the last 3 years (Properly received by the BIR)

5. Current Year Business permit
6. Latest Tax Clearance (From the BIR)

B. Products

List of products distributed and/or manufactured with the following information (NAMDAC Form 01):

- Date of introduction (in the country)
- Brand
- Model
- Country of origin
- Certificate of dealership/distributorship, if applicable

Section 15. **CANCELLATION/REVOCATION OF NAMDAC CoA**

The process flow chart of the cancellation/revocation of NAMDAC CoA is marked as Annex C of this Guidelines.

The NAMDAC CoA may be revoked due to the following grounds:

- (a) Submission of documents containing false information;
- (b) Falsification of the NAMDAC CoA issued by the NAMDAC Board;
- (c) Use of an unauthorized name, or use the name of another Supplier for the purpose of public bidding;
- (d) Refusal to comply with the standard requirements as stated in this Circular and other laws;
- (e) Delivery of defective and unresponsive agricultural and fisheries machinery and equipment; and
- (f) Continuous operation with proven violation/s.

In case of violation, the NAMDAC Board shall send a notice of violation to the Supplier indicating the grounds for the contemplated action. The Supplier shall be given seven (7) working days (upon the receipt of notice) to file for an appeal which will be evaluated by the NAMDAC Board. If no appeal is received within the period allotted, the Supplier shall be sent a notice of cancellation/revocation of NAMDAC CoA.

A notice of cancellation/revocation of NAMDAC CoA shall be sent to the Supplier if the Board disapproved the appeal after its evaluation. In case of approved appeal, the Suppliers shall receive a notice of approval.



## ARTICLE V FINAL PROVISIONS

### Section 16. **PENALTIES**

Any violation of the provisions in this Guidelines shall, upon conviction, be penalized with the applicable penalties imposed under Republic Act No. 7394, otherwise known as the "Consumer Act of the Philippines", Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act", and Republic Act No. 10601, otherwise known as the "Agricultural and Fisheries Mechanization Law".

### Section 17. **SEPARABILITY CLAUSE**

Should any provision of this Department Circular or any provisions thereof be declared invalid, the other provisions of this Circular, so far as they are separable, shall remain in force and effect.

### Section 18. **REPEALING CLAUSE**


All existing circulars, rules and regulations, or parts thereof, in conflict with, or inconsistent with any provisions of this Circular are hereby repealed or modified accordingly.


### Section 19. **EFFECTIVITY**

This Circular shall take effect upon approval by the Department of Agriculture Secretary and fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

After the approval of the Guidelines, the Supplier shall be given one (1) year grace period before the DA mandatory requires the NAMDAC CoA in its procurement process for agricultural and fisheries machinery.

Approved and promulgated this 16<sup>th</sup> day of Nov. 2018.

  
**EMMANUEL F. PIÑOL**  
Secretary  
Department of Agriculture

DEPARTMENT OF AGRICULTURE  
  
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