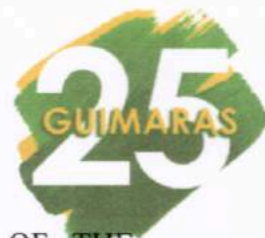




REPUBLIC OF THE PHILIPPINES
PROVINCE OF GUIMARAS
OFFICE OF THE 8TH SANGGUNIANG PANLALAWIGAN
San Miguel, Jordan, Guimaras



EXCERPTS FROM THE MINUTES OF THE REGULAR SESSION OF THE HONORABLE 8TH SANGGUNIANG PANLALAWIGAN OF THE PROVINCE OF GUIMARAS HELD AT THE SP SESSION HALL, PROVINCIAL CAPITOL ON DECEMBER 5, 2017.

PRESENT:

Hon. Cyril C. Beltran - SP Member, Acting Vice Governor and Temporary Presiding Officer
Hon David G. Gano - SP Member and Deputy Majority Floor Leader
Hon. Cresente P. Chavez, Jr. - SP Member
Hon. Diosdado G. Gonzaga - SP Member
Hon. Josefina G. de la Cruz - SP Member
Hon. Rex G. Fernandez - SP Member
Hon. Aurelio G. Tionado - SP Member
Hon. Dan Elby C. Habaña - SP Member
Hon. Aster Brian G. Hiponia - Ex-Officio Member (Liga ng mga Barangay President)

OFFICIAL BUSINESS:

Hon. John Edward G. Gando - Vice Governor
Hon. Ma. Sheila G. Gange - Ex-Officio Member (PCL Federation President)

ORDINANCE NO. 2017-014
Series of 2017

AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE PROVINCE OF GUIMARAS IN THE AMOUNT OF ₱300,000,000.00 TO FUND THE CONSTRUCTION/ESTABLISHMENT OF GOVERNMENT CENTER IN THE AMOUNT OF ₱250M AND ACQUISITION OF FURNITURE, FIXTURES AND EQUIPMENT IN THE AMOUNT OF ₱50M

Be it enacted by the Sangguniang Panlalawigan in session assembled that:

Section 1. The Provincial Governor, in representation of the Province of Guimaras, hereinafter referred to as the "Province", is hereby authorized to enter into a Loan Contract with the Land Bank of the Philippines, Iloilo Lending Center, Iloilo City in accordance with Section 297 of Republic Act No. 7160 or the Local Government Code in the amount of ₱300,000,000.00 under the terms and conditions herein set forth and such other terms and conditions as may be agreed upon with any person, corporation or entity for the purpose of funding priority project and subject to the requirements under Section 123 of Republic Act No. 7653 as implemented by the Bangko Sentral ng Pilipinas Circular No. 402. In this connection, the Provincial Governor shall have full power and authority to represent the province in negotiating the terms and conditions for the said borrowings and in signing, executing and delivering such agreements, contracts, deeds, papers, and documents as may be necessary and proper for the full and total implementation of the authority herein granted;

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ProvinceofGuimaras

Section 2. The said priority project herein specified in the amount of P300,000,000.00 to fund the construction of Government Center in the amount of P250,000,000.00 and acquisition of furniture, fixtures and equipment in the amount P50,000,000.00 is hereby certified to be a local infrastructure and/or other socio-economic development project in accordance with the approved Local Development Plan and Public Investment Program for current year 2017 of the Province of Guimaras and is supported by a final feasibility study prepared by the Provincial Government of Guimaras which is also approved under the Sangguniang Panlalawigan Resolution No. 168 dated July 18, 2017.

Section 3. Consistent with the covering Loan Contract, deeds and assignment, mortgage contracts, and such other agreements as maybe entered into by the Province in connection with the borrowing, the features, terms and conditions shall be as follows and are hereby approved:

Term Loan 1.3

Construction/Establishment of Government Center

Amount :
Purpose:

P300 Million, or contract price, whichever is lower.
a. P250M- Construction of Government Center
b. P50M- acquisition of furniture, fixtures and equipment. As included in the LGU's approved local development plan or annual investment plan.

Interest Rate

At prevailing LANDBANK lending rate at the time of availment with repricing based on tenor of applicable benchmark rate used (Reference rate: At previous day applicable 3-month PDST-R2 rate plus a minimum spread of 0.5% but not lower than 4.0% per annum). With one-time option to fixed rate based on the following:

- If 5 years, based on 5Y-PDSTR2, with a floor rate of 4.5%.
- If 10 years, based on 10Y-PDSTR2, with a floor rate of 5.0%.
- If 15 years, based on 15Y-PDSTR2, with a floor rate of 5.5%.

A. Construction of Government Center

Amount
Tenor

P250M or contract price whichever is lower.
Fifteen (15) years, inclusive of three (3) years grace period on principal.

Repayment:

- Principal • Principal-payable in 48 equal quarterly amortizations to start at the end of the 13th quarter from the date of initial loan release.
- Interest • payable in arrears in 60 quarterly amortization to start at the end of the 1st quarter from the date of loan release.

Mode of Release

Directly to the deposit account of the LGU with the Bank in the following manner:

Release	Amount	Pre-Release Requirements
1 st Release	15% of the approved loan or contract, whichever is lower	<ul style="list-style-type: none"> • Completion and submission of all loan documentary requirements; • Submission of program or Works and Cost Estimates duly inspected on percentage accomplishment by PVCID or by a bank representative; • Building plans, and permits (if applicable); • Contract between the LGU and contractor/supplier; • Letter from the Provincial Governor or authorized representative requesting availment/release of the approved loan.
Succeeding Releases and Final Releases	Based on the approved billing statement between the LGU and contractor. Final release, however, is at least 10% of the loan amount or contract amount, at 100% completion of the project.	<ul style="list-style-type: none"> • Submission of project accomplishment report duly approved by the Provincial Governor and Provincial Engineer, or their authorized representative, subject to inspection on percentage accomplishment of Bank representative; • Final release is subject to submission of Certificate of Acceptance by the LGU; • Letter from the Provincial Governor or authorized

		<p>representative requesting availment/release of the approved loan;</p> <p>Loan releases in between PV-CIDs intervention shall be subject to account inspection by the LAU Head or its representative subject to submission of accomplishment report submitted by the borrower.</p>
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1. Pre-release requirements:

- a. Submission to LBP of ordinance approving the local development plan/medium term plan and the proposed loan passed by the Sangguniang Panlalawigan and expressly:
 - i. Approving all previous representations, acts, warranties and all the terms and conditions of the loan;
 - ii. Authorizing the mortgage/assignment of certain personal and/or real properties and declaring that the properties offered as collaterals are patrimonial and not actually devoted to public use and prohibiting the conversion of said properties to public use or service;
 - iii. Authorizing the assignment of the Internal Revenue Allotment (IRA) and other income, revenues and collection as collateral/security to the loan obtained and declaring them to be available and not restricted by law or its other obligations;
 - iv. Directing the LGU Treasurer and Accountant to enter the loan in the appropriate books of the LGU;
 - v. Designating the LBP as the LGU's official depository bank for IRA and major depository bank for its other deposits, revenue and collections which designation shall not be revoked while the loan obligations remain outstanding and directing the LGU Secretary to provide a copy of this resolution to DBM or other IRA-Administering Office;
 - vi. Appropriating the amount for loan repayment in the LGU's annual budget until the loan, interest and other charges are fully paid;
 - vii. Authorizing LBP to deduct for set-off and/or deduct amounts from the general funds of the LGU with LBP and apply the same to the payment of the loan or any portion thereof, or interest and penalties thereon as may be deemed necessary by the LBP; and

viii. Waiving the confidentiality of information on investment/bank deposit.

- b. Seal of Good Housekeeping
- c. BLGF Certification of Net Borrowing Capacity
- d. Monetary Board Opinion
- e. Sanggunian Resolution approving the contract prior to issuance of notice to proceed

f. Borrowers Submission of the following certifications:

A. Certification by the Budget Officer, Accountant and Treasurer noted by the Governor that:

1. The amounts for equity, cost of operations, repairs and maintenance of the project and equipment, insurance premium and the repayment on principal, interest and other charges on loan have been fully appropriated and that the full provisions have been made;
2. The sources of repayment are available and not restricted by law or other obligations;
3. The contractual obligations shall be or has been entered into the appropriate books of accounts of the LGU;
4. The loan shall be used exclusively to finance the construction of government center, purchase/acquisition of equipment, furniture and fixtures.
5. The LGU shall annually submit to LANDBANK a certification on the said appropriation;
6. Joint Certification by BAC Chair and the Governor that the LGU has complied with RA 9184 as well as COA rules and regulations;

g. Submission of building permit and ECC/CNC or equivalent for construction project.

B. Acquisition of furniture, fixtures and equipment

Amount	P50.00M or contract price, whichever is lower.
Tenor	Fifteen (15) years, inclusive of three (3) years grace period on principal; co-terminus with the construction of the government center.

Repayment:

- Principal
- Principal-payable in 48 equal quarterly amortizations to start at the end of the 13th quarter from the date of initial loan release.

- Interest

- Interest-payable in arrears in 60 quarterly amortization to start at the end of the 1st quarter from the date of loan release.

Mode of Release

Upon 50% completion of the construction of the Government Center, the LGU may commence acquisition of Furniture, Fixtures and Equipment as follows:

- For local purchase, staggered release to be credited to the LGU's account based on amount of Delivery Receipt duly acknowledged by LGU.
- For importation, via letters of credit based on pro-forma invoice from supplier and PO of LGU.
- Reimbursement to the LGU is allowed.

Pre-release requirements

- Prior to loan availment, the LGU shall submit a listing of furniture and fixtures as awarded/contracted by the LGU's BAC.
- Pre-release requirements for LC opening:
 - a. Submission of Sangguniang Panlalawigan Resolution authorizing LC opening with LBP for the furniture, fixtures and equipment to be financed and designating the Governor as authorized signatory.
 - b. Submission of standard documents and proof of payment of fees/charges in accordance with RA 9184.
- Pre-release requirements for local purchase:
 - a. Subject to inspection by bank representative upon submission of sales vouchers/invoice/s and delivery receipt/s.
 - b. Submission of Certificate of Inspection and Acceptance of the units signed by the Governor.
- For reimbursement/Refinancing:
 - Refinancing/reimbursement shall be allowed upon submission of proof that said have been fully paid by the LGU and inspected/validated by bank representative/PVCID, provided that the transaction is not more than six (6) months.

C. Common Terms and Conditions:

1. Any cost overrun or price differential shall be for the account of the LGU.
2. The amount of loan for construction works shall not exceed the bank's appraisal/ECCR at any time. The LGU thru its Local Bids and Awards Committee (BAC) may allocate and submit the final list of furniture, fixtures and equipment for acquisition provided the total amount for construction and acquisition shall not exceed the approved loan.
3. Prior to such loan release, the LGU may change plans and specifications on construction or furniture, fixtures and equipment to be purchased, or make re-allocations to other items of work or furniture, fixtures or equipment, subject to bank's inspection, validation or appraisal and provided the same shall not exceed the approved loan amount.
4. Availability period shall be one (1) year from the date of loan signing. If no availment is made within one (1) year, the Bank has the option to terminate the loan.
5. Other Fees and Charges:
 - a. 1/8 of 1% handling fee charged per availment;
 - b. 3% pre-payments penalty shall be waived except in case of take-out by other financial institutions.
6. A penalty of 24% per annum shall be charged in case of non-payment on due amortization/PN/s up to the date of payment/settlement.
7. The LGU shall open a LANDBANK designated account for the approved loan proceeds intended to finance the LGU's construction project.
8. The object of financing shall not form part of the collateral pool but the LGU shall not sell, dispose or encumber the lots, buildings and structures or units while the loan is still outstanding.
9. LBP shall be the IRA depository and major depository bank of the LGU.
10. Remittance to the government such as PhilHealth, BIR and other agencies shall be coursed through LBP.
11. The Borrower shall give consent to LANDBANK to disclose credit information about the borrower to other banks, financial institutions, Banker's Association of the Philippines-Credit Bureau (BAP-CB) and other credit bureaus and institutions.

12. Insurable collaterals/objects of financing shall be insured with GSIS and endorsed in favour of LANDBANK. Proceeds of claims from insurance of properties mortgaged and properties financed by the bank shall automatically apply to the borrower's outstanding obligation to the bank.
13. In the event the old buildings will be demolished, the LGU shall submit a certification that the building/s is/are non-habitable.
14. The Bank reserves the right to withhold loan releases should there be:
 - a. A case filed against the LGU or its officials involving the project or object to be financed;
 - b. An adverse findings on the project or object of financing, or
 - c. Withdrawal by the Sangguniang Panlalawigan on the authority given to the Governor to contract this loan for and in behalf of the provincial government.
15. Post-release requirements: The LGU shall submit annually certification that the proposed sources of repayment are available and not restricted by law and its obligations are appropriated in their respective budget.
16. Collateral: Deed of Assignment of Internal Revenue Allotment.

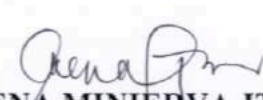
Section 4. The Province hereby appropriates the entire proceeds of the borrowing exclusively to finance the Construction of Government Center and Acquisition of furniture, fixtures and equipment and other financial obligations relative thereto.

Section 5. Any Ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

Section 6. This Ordinance shall take effect upon compliance with all procedures required under Republic Act No. 7160 of an Ordinance for its validity.


ENACTED this 5th day of December 2017.

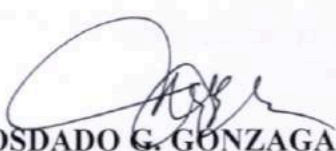
I hereby certify to the correctness of the foregoing ordinance which was duly enacted by the 8th Sangguniang Panlalawigan of the Province of Guimaras during its regular session on December 5, 2017.



LORENA MINIERVA-ITUCAS
 Secretary to the Sangguniang Panlalawigan

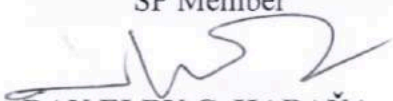
Concurred:


DAVID G. GANO
 SP Member



CRESENTE P. CHAVEZ, JR.
 SP Member



DIOSDADO G. GONZAGA
 SP Member


REX G. FERNANDEZ
 SP Member



DAN ELBY C. HABANA
 SP Member

JOSEFINA G. DE LA CRUZ
 SP Member



AURELIO G. TIONADO
 SP Member


ASTER BRIAN G. HIPONIA
 Ex-Officio Member
 (Liga ng mga Barangay President)

Attested:


CYRIL C. BELTRAN
 SP Member and Acting Vice Governor
 Temporary Presiding Officer

Approved:


SAMUEL T. GUMARIN, MD, MPH
 Governor