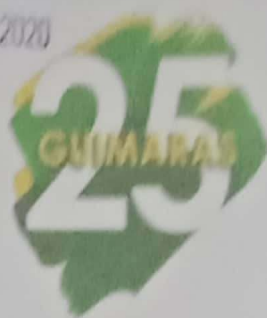




Republic of the Philippines  
Province of Guimaras  
**OFFICE OF THE 9<sup>TH</sup> SANGGUNIANG PANLALAWIGAN**  
San Miguel, Jordan, Guimaras 5045

07 JUL 2020



EXCERPTS FROM THE MINUTES OF THE REGULAR SESSION OF THE HONORABLE 9<sup>TH</sup> SANGGUNIANG PANLALAWIGAN, PROVINCE OF GUIMARAS HELD AT THE SP SESSION HALL, 2<sup>ND</sup> FLOOR, GTIC BUILDING ON MAY 11, 2020.

PRESENT:

Atty. John Edward G. Gando	-	Vice Governor and Presiding Officer
Hon. Cyril C. Beltran	-	SP Member and Majority Floor Leader
Hon. Aurelio G. Tionado	-	SP Member
Hon. David G. Gano	-	SP Member and Deputy Majority Floor Leader
Hon. Luben G. Vilches	-	SP Member
Hon. Josefina G. de la Cruz	-	SP Member
Hon. Rex G. Fernandez	-	SP Member
Hon. Raymond H. Gavileño	-	SP Member
Hon. Karren Kaye A. Gadnanan	-	Ex-Officio SP Member (SK Federation President)
Hon. Marilou S. Delumpa	-	Ex-Officio SP Member (LNB Federation President)
Hon. Glicerio G. Edang	-	Ex-Officio SP Member (PCL Federation President)

ABSENT:

Hon. Diosdado G. Gonzaga	-	SP Member
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ORDINANCE NO. 2020-02

AN ORDINANCE ESTABLISHING THE GUIMARAS HOSPITALS CONSIGNMENT SYSTEM AND FOR OTHER PURPOSES

Be it ordained by the 9<sup>th</sup> Sangguniang Panlalawigan of the Province of Guimaras in session duly assembled that:

**SECTION 1. TITLE**– This ordinance shall be known as the Guimaras Hospitals Consignment System;

**SECTION 2. SCOPE AND COVERAGE** – This ordinance shall cover the Doctor Catalino Gallego Nava Provincial Hospital (DCGNPH) and the two other hospitals in the province, which are the Nueva Valencia District Hospital (NVDH) and the Buenavista Emergency Hospital (BEH), all under the supervision of the provincial government and all other hospitals that may be established or created hereafter by the provincial government;

**SECTION 3. DEFINITION OF TERMS**

**3.1 Consignment Agreement**–a contract duly executed by and between the Head of the Procuring Entity (HOPE) and the Consignor pertaining to the consignment of drugs, medicines and other medical supplies;

**3.2 Consigned goods**– are drugs, medicines and other medical supplies which the Consignor delivers to the Consignee under the consignment system;

**3.3. Consignee** – the Province, either through Dr. Catalino G. Nava Provincial Hospital, Buenavista Emergency Hospital, Nueva Valencia District Hospital and other hospitals under the Provincial Government that maybe created hereafter;

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Province of Guimaras

**3.4. Consignment Offer (COI)** – a letter of offer or an offer in writing by the offeror stating therein his interest to enter into consignment agreement with the province, the quantity of goods to be consigned, specifications, desired quality, price, discounts, rebates and other items stipulated therein;

**3.5. Consignment Order (CO)** – an accomplishment form, which directs the consignor to effect the delivery of specified drugs, medicines and other medical supplies with the corresponding required quantities and qualities as determined by the consignee within the applicable period of time;

**3.6. Consignment Request (CR)** – is a list of items requested by the Consignee to be placed under the Consignment System;

**3.7. Consignment or Consignment System** – a method of assuring availability of stock wherein a consignor places its consigned goods at the hospital for sale and the former being paid by the latter for the actual quantity consumed using the money generated from the sale of the consigned goods within the agreed period of time;

**3.8. Consignor** – a natural or juridical person that was declared as having the lowest calculated offer and passed the post qualification stage and further undertakes to place its consigned goods on consignment basis in the aforementioned hospitals;

**3.9. Replenishment Goods** – are drugs, medicines and other medical supplies which the consignor delivers to the consignee as replenishment for those sold by the consignee or as replacement to consigned goods which expiration date results to a remaining shelf-life not allowed by consignee or as replacement to consigned goods and which deterioration is beyond the control of the consignee;

**3.10. Revolving Fund** – the fund to be used for emergency purchase of drugs, medicines and other medical supplies in the unlikely event that the consignor fails to perform its obligations under the consignment agreement, more particularly for the replenishment of consigned goods.

#### **SECTION 4. COMMITTEES/OFFICES**

##### **4.1. THE CONSIGNMENT ADVISORY COMMITTEE (CAC)**

**4.1.1. Membership.** The Committee's composition is stated hereunder. Furthermore, the members may agree to form sub-committees as they see fit and as circumstances warrant.

Chairperson	: Governor
Co-Chairperson	: Vice Governor
Members	: Chief of Hospital (DCGNPH) Provincial General Services Officer (PGSO) Provincial Treasurer (PTO) Provincial Legal Officer (PLO) Provincial Budget Officer (PBO) Provincial Health Officer (PHO) Provincial Accountant Chairperson, SP Committee on Health Chief of Hospital – NVDH Chief of Hospital – BEH Accredited NGO/PO Representative DCGNPH Administrative Support Staff
Secretariat	

**4.1.2. Functions.** This committee shall have the following functions:

**4.1.2.1.** To have a continuing study for the improvement of the consignment system;

4.1.2.2. To promulgate rules on the qualifications as well as requirements of the joining suppliers and procedures governing the conduct of the bidding process within ten (10) days from the approval of this ordinance. The same shall be submitted to the Sangguniang Panlalawigan for its approval;

4.1.2.3. To formulate innovative policies for adoption and approval by the Sangguniang Panlalawigan;

4.1.2.4. To recommend appropriate accounting and auditing forms and procedures for the consignment system;

4.1.2.5. To approve the selling price of the consigned goods as recommended by the HCC.

#### 4.2. THE HOSPITAL CONSIGNMENT COMMITTEE (HCC)

The Hospital Consignment Committee (HCC) shall be established in each hospital in the province. This committee is responsible for the consignment of drugs, medicines and other medical supplies for their respective use with the following memberships and functions:

4.2.1. **Membership.** The members of this committee shall be composed of the following:

Chairperson	: Chief of Hospital
Members	: Chief of Clinics whenever applicable
	Chief Nurse
	Pharmacist
	Provincial Legal Officer
	Supply Officer
	Accredited NGO/PO Representative
	Hospital Accountants

Secretariat : Supervising Administrative Officer of the hospital or his/her equivalent and additional Three (3) other employees of the Hospitals to be designated by the Hospital Chief.

4.2.2. **Functions.** The committee shall have the following responsibilities:

4.2.2.1. Implements the applicable rules and procedures formulated by the CAC;

4.2.2.2. Determines the items to be consigned and to suggest to the CAC selling price at the hospital;

4.2.2.3. Consolidates and prepares list of items to be consigned;

4.2.2.4. Opens and evaluates consignment offers from Offerors including the canvassing of prices of the items to be consigned and other specifications and parameters required;

4.2.2.5. Determines and declares the winning consignor.

4.2.2.6. Recommends to the Governor for approval the Consignment Order;

4.2.2.7. Promulgates its rules on the determination of quorum on the basis of actual membership and other surrounding circumstances.



#### 4.3. EXISTING THERAPEUTIC COMMITTEES

The existing therapeutic committees of the DCC/PH, BEH and NVDH in the province shall be responsible for recommending and submitting the list of items to be consigned by the Hospital Consignment Committee indicating therein the specifications, quantity and other needed qualities of the consigned product.

Medical practitioners in the hospital who are not members of the therapeutic committee may also recommend for consignment of drugs/medicines/supplies which are not included in the list prepared by the Therapeutic Committee with a justification why such item should be included.

#### 4.4. OTHER SUPPORT OFFICERS

Other Provincial Government Departments directly or indirectly involved/needed in the implementation of the consignment system are enjoined to ensure the success of the system's operation.

### SECTION 5. GENERAL GUIDELINES

5.1. **Selling Price.** The selling price of consigned item/s to the public shall in no case be higher than the prevailing price of the same items in the local private pharmacies and outlets. The minimum of twenty percent (20%) mark up to the offered price shall not make the selling price of consigned items be more expensive or higher than the prevailing market price in the local pharmacies and outlets. It is provided finally that the consignment price indicated in the agreement shall not be affected by consequent escalation of prices in the market (suggested retail price). All entitlement provided for by law for senior citizens, PWDs and others shall be strictly observed and shall be borne by the consignor.

5.2. **Fund Management.** Any amount generated from the sales of the consigned items shall be used in the payment of dispensed or utilized consigned goods after the inventory shall have been conducted. Revenue generated from the program shall be treated in the special account of the hospital concerned.

5.3. **Utilization of Income.** The accumulated income of the concerned hospitals raised from consignment system shall be utilized for PS and MOOE requirement, subject to existing accounting and auditing rules.

5.4. **Quality Check.** The consigned items may be subjected to random sampling, inspection and testing by the consignee and other appropriate support agencies and submit the same to the Food and Drug Administration (FDA) and other regulating agencies to ensure quality of stocks and compliance to specifications without cost on the part of the consignee.

5.5. **Authority to Inspect.** The Inspection Team of the province and the existing inspection teams of the respective hospitals of the consignee are hereby given the power and authority to inspect the consigned items for legal, technical, accounting, auditing and administrative purposes, among others.

### SECTION 6. OTHER PROVISIONS

6.1. **Products Covered.** The drugs, medicines and other medical supplies to be consigned shall be based on the Consignment Order duly signed by the Chief of Hospital/Consignment Committee Chairperson and the Governor.

6.2. **Effectivity of Offer/Order and Reorders.** The price, unit, quantity and quality of the consigned goods, drugs, medicines and other medical supplies as offered by the Consignors and duly specified in the Consignment Order shall be effective without changes with the duration of one (1) year to be reckoned from the acceptance of the items delivered by the Consignor. Within the consignment duration, the Consignor shall deliver additional stocks only upon request for replenishment by the HCC.

6.3. **Title.** The ownership of, and the legal and beneficial entitlement to the products shall be the consignor's until the products shall have been used, dispensed or sold by the consignee. The consignee shall be responsible for the care and custody of the drugs, medicines and other medical supplies delivered by the Consignor.

6.4. **Delivery.** Delivery of drugs, medicines and other medical supplies for consignment shall be in accordance with the terms and conditions specified at the Consignment Order. Unless specified in the CO, complete delivery shall be done within fifteen (15) working days from receipt of the Consignment Order. Failure to deliver within the specified period without justifiable reason shall cause the cancellation of the CO and shall be awarded to the second or next consignor having the most advantageous offer as determined by the HCC.

The products, especially the medicines and drugs, delivered to the Consignee shall be covered by a corresponding Stocks Delivery Slip (SDS) issued by the Consignor and receipt shall be acknowledged by an authorized representative of the Consignee with the following information:

1. Name of Consignor
2. Date of the Stock Slip Number
3. Stock Delivery Slip Number
4. Consignment Order Number
5. Name of Consignor or his representative effecting the delivery
6. Description of drugs, medicines and other medical supplies
  - a. Generic Name (Brand Name)
  - b. Dosage Form
  - c. Strength
  - d. Batch Number/Lot Number
  - e. Assay Report
  - f. Expiration Date
7. Sub-packing Unit
8. Quantity
9. Unit
10. Unit Price
11. Total Price
12. Certificate of Product Registration from FDA
13. Other applicable description

6.5. **Inventory and Payment.** For purposes of paying the Consignor, inventory of drugs, medicines and other medical supplies sold shall be conducted by the Consignee thirty (30) days from the date of delivery and acceptance of the drugs, medicines and other medical supplies, and every thirty (30) days thereafter. The inventory process may be attended by a representative of the consignor. Payment shall be done on or before thirty (30) days from the date of every inventory on the basis of the actual items dispensed or sold.

6.6. **Sale/Dispensing of Items.** The Consignee shall provide appropriate storage facilities for the products and shall observe the "First Expiry First Out" in the use and dispensing or sale of the same.

The concerned medical personnel are directed to ensure the prescription of drugs/medicines and supplies at hospital pharmacy, especially for those under the consignment system. An order to ensure compliance of this provision shall be issued by the Honorable Governor and the Chief of Hospital to monitor compliance and regularly update the former on the same.

6.7. **Rights Assignment.** Consignor shall not assign any of its rights or obligations under the consignment system.

**6.8. Force Majeure, Pilferage and Theft.** Neither party shall be liable for any failure to perform its obligations under the consignment system where such failure is due to Acts of God or any cause beyond the reasonable control of the party. Where applicable, the party affected shall make all reasonable efforts to comply with its obligations or must promptly resume compliance with its obligations. In case of loss arising from pilferage and/or theft in the custody of the Consignee, the Consignee shall be liable for the monetary value of the lost or stolen items without prejudice to any legal action it may take against the responsible officer, employee and/or individual. Loss of consigned items before acceptance in writing by the consignee shall be shouldered by the Consignor.

**6.9. Authority and capacity of the Consignor.** A Consignor who enters in consignment agreement with the province must show that:

6.9.1. It is duly authorized by its company to enter into consignment agreement;

6.9.2. Its products are manufactured according to specifications and standards and in compliance with the laws;

6.9.3. The products are duly registered and approved by regulatory agencies for public use such as the Food and Drugs Administration and other appropriate licensing/regulatory agencies;

6.9.4. Its products are not misbranded or adulterated within the meaning of the Food, Drug and Cosmetics Act, the Consumer Act and other applicable laws and issuances, and;

6.9.5. Its products have expiry dates of at least one (1) year from date of delivery;

**6.10. Recall of Consigned goods, drugs, medicines and other Medical Supplies.** Should any of its products be banned by competent authorities or has expired or has been declared not suited for use and dispensing, the Consignor has the obligation to inform the consignee and to recall the drugs, medicines and other medical supplies at no cost to the latter. The Consignee has also the right to inform the Consignor and cause the withdrawal of banned, and expired drugs, medicines and other medical supplies and drugs, medicines and other medical supplies declared unfit for use and consumption without cost to the former.

**6.11. Legal claims and Venue of action.** The Consignor shall hold the Consignee free and harmless from, and shall be solely responsible for any claim, action, suit, cost of expenses, and damages and liabilities arising from or in connection with, or resulting from the use of the consigned goods. Furthermore, the venue for any legal action or suit arising from the consignment of goods shall be exclusively in Guimaras.

**6.12. Submission of Annual Report.** The Hospitals concerned shall submit to the Governor and the Sangguniang Panlalawigan a consolidated written report regarding the status of the consignment system implementation every second Friday of January of the succeeding year.

#### **SECTION 7. AUTHORITY TO SIGN CONSIGNMENT REQUEST (CR) AND CONSIGNMENT ORDER (CO)**

The Governor, upon request and recommendation of the Head of the Hospital Consignment Committee or his representative, is hereby authorized to sign the CR, the CO and the Consignment Agreement. The Honorable Governor may, pursuant to an office order or executive order, designate the Provincial Administrator to sign for in his behalf, the CR and CO at an amount of not more than Five Hundred Thousand Pesos (Php500,000.00 ).



**SECTION 8. FINAL PROVISIONS**

In the event that any provision of this ordinance, or application of such provision to any circumstance, is held invalid by competent court, the remaining or other provisions not so held as such shall not be affected thereby.

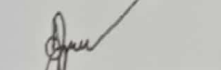
**SECTION 9. EFFECTIVITY.** This ordinance shall take effect 15 days after its publication in a newspaper of local circulation.

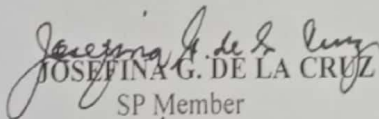
ENACTED this 11<sup>th</sup> day of May 2020.

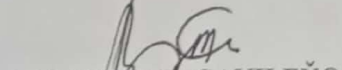
I hereby attest to the correctness of the foregoing ordinance which was duly enacted by the 9<sup>th</sup> Sangguniang Panlalawigan of the Province of Guimaras during its regular session on May 11, 2020.

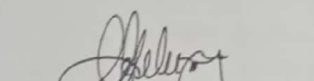
We Concur:

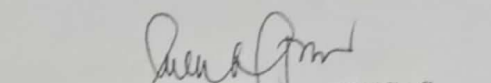
  
CYRIL C. BELTRAN  
SP Member

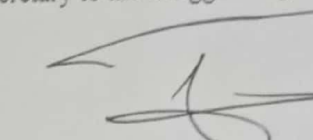
  
DAVID G. GANO  
SP Member


  
JOSEFINA G. DE LA CRUZ  
SP Member

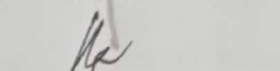
  
RAYMOND H. GAVILEÑO  
SP Member

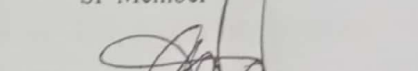
  
MARILOU S. DELUMPA  
Ex-Officio SP Member  
(LNB Federation President)

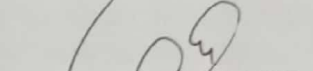
  
LORENA MINIERVA-ITUCAS  
Secretary to the Sangguniang Panlalawigan

  
AURELIO G. TIONADO  
SP Member

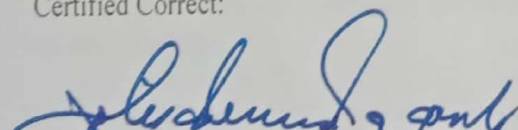
  
LUBEN G. VILCHES  
SP Member

  
REX G. FERNANDEZ  
SP Member

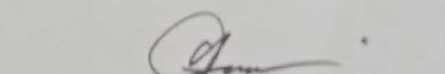
  
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GLICERIO G. EDANG  
Ex-Officio SP Member  
(PCL Federation President)

Certified Correct:

  
ATTY. JOHN EDWARD G. GANDO  
Vice Governor  
Presiding Officer

Approved:

  
SAMUEL T. GUMARIN, MD, MPH  
Governor