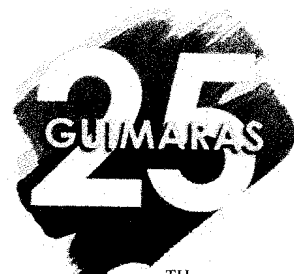




REPUBLIC OF THE PHILIPPINES  
 PROVINCE OF GUIMARAS  
**OFFICE OF THE 8<sup>TH</sup> SANGGUNIANG PANLALAWIGAN**  
 San Miguel, Jordan, Guimaras



EXCERPTS FROM THE MINUTES OF THE REGULAR SESSION OF THE HONORABLE 8<sup>TH</sup> SANGGUNIANG PANLALAWIGAN, PROVINCE OF GUIMARAS HELD AT THE SP SESSION HALL, 2<sup>ND</sup> FLOOR, GTIC BUILDING ON MARCH 5, 2019.

PRESENT:

- Atty. John Edward G. Gando - Vice Governor and Presiding Officer
- Hon. Cyril C. Beltran - SP Member and Majority Floor Leader
- 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. Ma. Sheila G. Gange - Ex-Officio Board Member (PCL Federation President)
- Hon. Karren Kaye A. Gadnanan - Ex-Officio Board Member (SK Federation President)
- Hon. Marilou S. Delumpa - Ex-Officio Board Member (Liga ng mga Barangay President)

**ORDINANCE NO. 2019-01**

**ORDINANCE APPROVING THE PROPOSED BORROWING OF THE PROVINCE OF GUIMARAS, IN THE AMOUNT OF THREE HUNDRED MILLION PESOS (P300,000,000.00) TO FUND THE CONSTRUCTION/ESTABLISHMENT OF GOVERNMENT CENTER.**

BE IT ENACTED, as it is hereby ENACTED, by the Sangguniang Panlalawigan of Guimaras, 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 Term Loan Agreement with Land Bank of the Philippines (LBP) in accordance with Section 297 of Republic Act No. 7160 or the Local Government Code, in the amount of **THREE HUNDRED MILLION PESOS (P300,000,000.00)** 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/s, and subject to the requirements under Section 123 Republic Act No. 7653 as implemented by the Bangko Sentral ng Pilipinas Circular No. 402. In connection, the Provincial Governor shall have full power and authority to represent the Province in negotiating the terms and conditions for the said borrowing 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;

**Section 2.** The said priority project/s herein specified as the construction/establishment of government center is hereby certified to be a local infrastructure and/or other socio-economic development projects in accordance with the approved local development plan/medium term plan of the Province of Guimaras.

**Section 3.** Consistent with the covering Term Loan Agreement 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:

3.1. Project Name: Government Center

Borrower	Provincial Government of Guimaras
Amount	₱300,000,000.00 or contract price whichever is lower
Purpose	₱300,000,000.00 Construction of Government Center and Acquisition of Furniture, Fixtures and Equipment

**CONTACT US: —**



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ProvinceofGuimaras

**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**

**Term**

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  
Interest payable in arrears in 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	Pre-Release Requirement
1st Release  (15% of the approved loan or contract, whichever is lower)	<ul style="list-style-type: none"> <li>• Completion and submission of all loan documentary requirements;</li> <li>• Submission of program of Works and Cost Estimates duly inspected on percentage accomplishment by PVCID or by a bank representative;</li> <li>• Building plans, and permits (if applicable);</li> <li>• Contract between the LGU and contractor/supplier;</li> <li>• Letter from the Provincial Governor or authorized representative requesting availment/release of the approved loan;</li> </ul>
Succeeding 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"> <li>• 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;</li> <li>• Final release is subject to submission of Certificate of Acceptance by the LGU;</li> <li>• Letter from the Provincial Governor or authorized representative requesting availment/release of the approved loan;</li> <li>• 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.</li> </ul>

**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 Sanggunian 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 general funds of the LGU with LBP and apply the same to the payment of the loan or any portion thereof, or interests 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;
    - B. 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**

**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 13<sup>th</sup> quarter from the date of initial loan release.
- **Interest**  
Interest payable in arrears in 60 quarterly amortization to start at the end of the 1<sup>st</sup> 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.
- 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**

- Pre-release requirements for local purchase:
  - a. Subject to inspection by bank representative upon submission of sales voucher/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.

**Collateral**

Deed of Assignment of portion of the 20% Internal Revenue Allotment (IRA).

**Front-end Fee**

None

**Commitment Fee**

Waived

**Handling Fee**

1% of Approved Amount

**Prepayment Penalty**

2% prepayment fee shall be waived unless taken out by other banks

**Guarantor**

Not Applicable

**Guarantee Fee**

Not Applicable

**Sinking Fund(If**

Not Applicable

**Applicable) or other**

Not Applicable

**Funding Agreement**

**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.

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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. 2% 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, Banks' Association of the Philippines – Credit Bureau (BAP-CB) and other credit bureaus and institutions.
12. 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.

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.
- 3.2. Approving all previous representations, acts, warranties and all the terms and conditions of the loan;
  - 3.3. 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;
  - 3.4. 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;
  - 3.5. Directing the LGU Treasurer and accountant to enter the loan in the appropriate books of the LGU;
  - 3.6. 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 Ordinance to DBM or other IRA-administering office;
  - 3.7. Appropriating the amount of loan repayment in the LGU's annual budget until the loan, interest and other charges are fully paid;
  - 3.8. Authorizing LBP deduct for set-off and/or deduct amounts from general funds or SEF of the LGU with LBP and apply the same to the payment of the loan or any portion thereof, or interests and penalties thereon as may be deemed necessary by the LBP; and
  - 3.9. Waiving the confidentiality of information on investment/bank deposit.

**Section 4.** The Province hereby appropriates the entire proceeds of borrowing exclusively to finance the construction/ establishment of government complex and other financial obligations relative thereto.


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

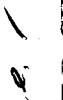
**Section 6.** This Ordinance shall take effect upon compliance with all procedures required under Republic Act No. 7160 of an Ordinance for its validity.

ENACTED this 5<sup>th</sup> day of March 2019.

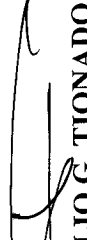
I hereby certify to the correctness of the foregoing ordinance which was duly enacted by the 8<sup>th</sup> Sangguniang Panlalawigan of the Province of Guimaras during its regular session on December 27, 2018.

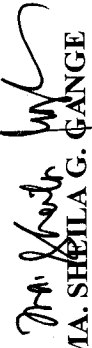
We Concur:

  
CYRIL C. BELTRAN  
SP Member

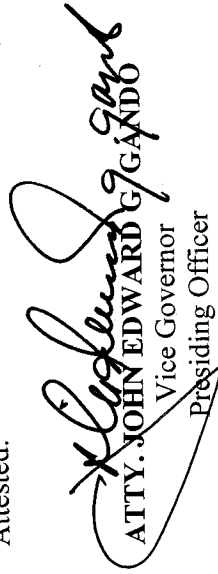
  
CRESENTE P. CHAVEZ, JR.  
SP Member

  
JOSEFINA G. DE LA CRUZ  
SP Member


  
AURELIO G. TIONADO  
SP Member

  
MA. SHEILA G. GANGE  
Ex-Officio Board Member  
(PCL Federation President)


Attested:

  
ATTY. JOHN EDWARD G. GARDÓ  
Vice Governor  
Presiding Officer


  
LORENA MINERVA-ITUCAS  
Secretary to the Sangguniang Panlalawigan


  
DAVID G. GANO  
SP Member

  
DIOSDADO G. GONZAGA  
SP Member

  
REX G. FERNANDEZ  
SP Member

  
DAN ELBY C. HABANA  
SP Member

  
KARREN KAYANA GAGNANAN  
Ex-Officio Board Member  
(SK Federation President)

  
MARIOU S. DELUMPA  
Ex-Officio Board Member  
(Liga ng mga Barangay President)

Approved:  
  
SAMUEL T. GUMARIN, MD, MPH  
Governor

