

Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte

Item No.: 29

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PROVINCIAL LEGAL OFFICE

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Respectfully returned to the Sangguniang Panlalawigan of Leyte, through the SP Secretary, the attached Ordinance No. 23L, 23-038 S.2023 of the Sangguniang Bayan of Kananga, Leyte, recommending for the declaration of its validity, pursuant to its power under Section 56 (C) of R.A. 7160, to the opinion of the Provincial Legal Office (PLO), in consonance with the authority under R.A. 9501 mentioned in the Ordinance.

ATTA-JOSE RAYMUND A. ACOL
Asst. Provincial Legal Officer

R.A. 9501 - AN ACT TO PROMOTE ENTREPRENEURSHIP BY STRENGTHENING DEVELOPMENT AND ASSISTANCE PROGRAMS TO MICRO, SMALL AND MEDIUM SCALE ENTERPRISES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6977, AS AMENDED, OTHERWISE KNOWN AS THE "MAGNA CARTA FOR SMALL ENTERPRISES" AND FOR OTHER PURPOSES

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Republic of the Philippines
Province of Leyte
OFFICE OF THE SANGGUNIANG PANLALAWIGAN



Endorsement 23 October 2023

The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed MUNICIPPAL ORDINANCE NO. 23L.23-038 series of 2023 of the Municipality of Kananga, Leyte; with title: "AN ORDINANCE PRESCRIBING FOR THE ALLOCATION OF AT LEAST TEN PERCENT OF THE TOTAL PROCUREMENT VALUE OF THE MUNICIPAL GOVERNMENT OF KANANGA, GAS, LAS AND OTHER GOVERNMENT AGENCIES HOLDING OFFICES IN THE MUNICIPALITY, FOR LOCALLY- PRODUCED GOODS AND SERVICES AND THEIR MANDATORY PROMOTION THEREOF."

FLORINDA JULAS. UYVICO Secretary to the Sanggunian

SP RECORDS



Republic of the Philippines
Province of Leyte
Municipality of Kananga

Office of the Secretary to the Sangguniang Bayan

Telephone No. (053) 5539173 Email Address: sbkananga6531@gmail.com

October 23, 2023

FLORINDA JILL S. UYVICO

Secretary to the Sanggunian Sangguniang Panlalawigan of Leyte Legislative Building, Capitol Complex Tacloban City PROVINCE OF LEYTE

Dear SP Sec. Uyvico:

Respectfully submitted to your good office the herewith 13 copies of the Municipal Ordinance No. 23L.23-038, series of 2023 entitled: "AN ORDINANCE PRESCRIBING FOR THE ALLOCATION OF AT LEAST TEN PERCENT (10%) OF THE TOTAL PROCUREMENT VALUE OF THE MUNICIPAL GOVERNMENT OF KANANGA, GAS, LAS, AND OTHER GOVERNMENT AGENCIES HOLDING OFFICES IN THE MUNICIPALITY, FOR LOCALLY-PRODUCED GOODS AND SERVICES AND THEIR MANDATORY PROMOTION THEREOF".

Enacted by the 23rd Sangguniang Bayan of Kananga, for review and approval of the Sangguniang Panlalawigan of Leyte.

Hoping for your consideration on this matter.

Thank you.

Very respectfully yours,

ATTY. ALLAN R. CASTRO

Board Secretary V (Secretary to the Sangguniang Bayan)



Republic of the Philippines Province of Leyte Municipality of Kananga

-000-Sangguniang Bayan of Kananga

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EXCERPT FROM THE MINUTES OF THE REGULAR SESSION SANGGUNIANG BAYAN NG KANANGA AT SB SESSION HALL KANANGA, LEYTE ON OCTOBER 9, 2023.

Present: Honorable Miguel Jorge P. Tan

Honorable Fernando M. Aseo

Honorable Resurreccion C. Capanas

Honorable Brenzon C. Cabintoy

Honorable Alma N. Orfano

Honorable Rudy B. Cogay

Honorable Minerva M. Bulawit

Honorable Richie C. Cruz

Honorable Allan C. Espinosa

Honorable Nilo Gonzaga

Honorable Jeffsbor G. Cuizon

Vice-Mayor/Presiding Officer

SB Member /Floor Leader

SB Member

SB Member

SB Member

SB Member

SB Member

SB Member

SB Member

Liga Ng Mga Barangay

President/Ex-officio Member

Pambayang Pederasyon

Ng SangguniangKabataan President/Ex-officio Member

ORDINANCE NO. 23L.23-038 Series of 2023

AN ORDINANCE PRESCRIBING FOR THE ALLOCATION OF AT LEAST TEN PERCENT (10%) OF THE TOTAL PROCUREMENT VALUE OF THE MUNICIPAL GOVERNMENT OF KANANGA, GAS, LAS AND OTHER GOVERNMENT AGENCIES HOLDING OFFICES IN THE MUNICIPALITY, FOR LOCALLY-PRODUCED GOODS AND SERVICES AND THEIR MANDATORY PROMOTION THEREOF.

Authored by: Hon. Brenzon C. Cabintoy Hon. Richie C. Cruz

PREFATORY STATEMENT

WHEREAS, Article II, Section 20 of the 1987 Constitution provides that the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments:

WHEREAS, Republic Act No. 9501 or the Magna Carta for Micro, Small and Medium Enterprises (MSMEs) recognizes that MSMEs have the potential for more employment generation and economic growth and therefore can help provide a self-sufficient industrial foundation for the country, and thus declared the policy of the state to promote, support, strengthen and encourage the growth and development of MSMEs in all productive sectors of the economy particularly rural agri-based enterprises;

WHEREAS, Section 4 of Republic Act No. 9501 or the Magna Carta for MSMEs provide that eligible MSMEs shall be entitled to a share of at least ten percent (10%) of total procurement value of goods and services supplied to the Government, its bureaus, offices and agencies annually;

WHEREAS, to qualify under this Ordinance, the requirements set forth in Section 4 of Republic Act No. 9501 or the Magna Carta for MSMEs are hereby adopted;

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WHEREAS, the Municipality of Kananga has approximately six (6) MSMEs who are into manufacturing /processing, making up at least 0.42% of the total number of registered businesses in the Municipality;

WHEREAS, the Municipality of Kananga has a legal and moral obligation to recognize the specific needs of the MSMEs and shall undertake to promote entrepreneurship, support entrepreneurs, encourage the establishments of MSMEs and ensure their continuing viability and growth and thereby attain countryside industrialization.

NOW, THEREFORE, on motion of SB Member Brenzon C. Cabintoy , seconded by All SB Members, be it ordained by the $23^{\rm rd}$ Sangguniang Bayan, session duly assembled that:

SECTION 1. Short Title- This ordinance shall be known as THE "MANDATORY PROMOTION AND PROCUREMENT OF LOCALLY-PRODUCED GOODS AND SERVICES".

SECTION 2. **Definition Of Terms** – As used in this Ordinance, the following terms shall mean:

- (a) Locally-produced goods and services There are food and non-food products and services made/provided in the Municipality of Kananga, Leyte.
- (b) MSME Micro, Small and Medium Enterprise, including cooperatives, rural improvement clubs, associations and existing businesses without registrations, with a capitalization not exceeding Php100 Million; has an existing product, food or non-food, or has commenced operation but is in the process of developing its product.
- (c) Pasalubong Centers Municipal Government-administered outlets where MSMEs may display/sell their products.
- (d) Rural/agri-based enterprises -businesses that are into:
 - (i) agricultural production; and/or
 - (ii) processing agricultural produce/raw materials into finished goods;
- (e) **Tourism-related Establishments** establishments offering services in support to tourism such as hotels, restaurants, sports and recreational clubs, among others.
- (f) GOs- Government Organizations
- (g) NGAs-National Government Agencies
- (h) RLAs- Regional Line Agencies
- (i) NGOs-Non-Government Organizations
- (j) CSOs Civil Society Organizations
- (k) **POs** People Organizations
- (I) TLDO Technology and Livelihood Development Office

SECTION 3. Coverage and Eligibility for Assistance. To qualify under this ordinance, businesses must be:

- (a) all manufacturing, processing, and/or production of agricultural produce and provision of services which are duly registered with the appropriate agencies as presently provided by law (DTI, SEC, CDA or DOLE) and have the requisite Mayor's Permit, including other statutory registrations;
- (b) One hundred percent (100%) owned, capitalized by Filipino citizens, whether single proprietorship or partnership or cooperative. If the enterprise is a juridical

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entity, at least sixty percent (60%) of its capital or outstanding stock must be owned by Filipino citizens; and

(c) A business activity within the major sectors of the economy, namely; industry, trade, services, including the operation of tourism-related establishments, and rural/agri-based enterprises, conducted/located in the Municipality of Kananga.

SECTION 4. MSME Registry. Within three (3) months after the effectivity of this Ordinance, the Technology and Livelihood Development Office, in coordination with the Negosyo Center of Kananga, Leyte, and all barangays/municipalities, shall submit to the Municipal Mayor and the Sangguniang Bayan a complete list of all MSMEs eligible to avail the benefits of this ordinance.

The list shall be known as the "MSME Registry" and shall serve as the basis of the procurement of locally-produced goods and services.

The **MSME Registry** shall be posted in the official website of the Municipality and shall be subject to validation by the Office of the Municipal Mayor, in coordination with the Department of Trade and Industry and various **CSOs** in the Municipality within 3 months from posting thereof. The registry shall be subject to periodic updating once every two (2) years following the effectivity of this Ordinance.

SECTION 5. Statement of Policy. The Municipal Government believes that the role of **MSMEs** is vital in the prosperity of the Municipality. At least 0.42% of the business registered comprise of the processing/manufacturing/service sectors, and they contribute much to the resources of the Municipality. With reference to this data, the Municipal Government deems it necessary to develop a vibrant MSME sector by improving their access to market within 5 years from effectivity of this Ordinance.

SECTION 6. Program Guidelines. The various programs, projects and activities to be implemented by virtue of this Ordinance shall be guided by the following principles:

 (a) In every purchase of goods and services by the Municipal Government, NGAs, RLAs and other government agencies holding offices in the Municipality of Kananga, Leyte, must be locally-produced;

(b) All tokens to be given in all activities of the Municipal Government, NGAs, RLAs and other government agencies holding offices in the Municipality of Kananga must be locally-produced goods and/or services;

(c) At least eighty percent (80%) of the goods displayed in Kananga Pasalubong Centers must be locally-produced;

(d) At least ten percent (10%) of total procurement value of goods and services holding offices in the Municipality of Kananga, Leyte, must be solely devoted to locally-produced goods and services;

(e) Development of **MSMEs** to act as consolidators of locally-produced goods and services to help facilitate marketing of these products.

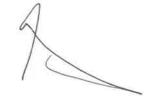
(f) Establishment of more Pasalubong Centers or market outlets for MSMEs to display/sell their products;

SECTION 7. **Primary Implementing Offices.** The General Services Office (GSO) and the Technology and Livelihood Development Office (TLDO) or any unit/division within the LGU with similar function] must ensure that the provisions of the Primary Implementing Offices with respect to the procurement as embodied in this ordinance.

As such, the Primary Implementing Offices are mandated to:

(a) Within three (3) months after this ordinance shall have taken effect, in coordination with the each other, prepare the general rules and guidelines

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implementing the provisions of this Ordinance and submit the same to the Sangguniang Bayan for its review and approval;

(b) Design and prepare a *Procurement and Marketing Plan for MSME Products* to be carried out pursuant to the provisions of this Ordinance, subject to the approval of the Municipal Mayor and the availability of funds. For purposes of defining tasks, the GSO shall implement the procurement activities while the TLDO shall undertake the marketing activities.

(c) Regularly coordinate with national Government Agencies (NGAs), Regional Line Agencies (RLAs) holding offices in the Municipality of Kananga, Leyte with respect to the strict implementation of the provisions of this Ordinance.

(d) Submit semi-annual report to the Office of the Mayor and to the Office of the Vice

Mayor of the status of implementation of this Ordinance;

(e) Exercise such other functions expressly granted and those necessarily implied therefrom, as well as those functions necessary, appropriate and incidental to the effective and efficient implementation of the provisions of this Ordinance.

SECTION 8. **Funds**. Aside from the mandatory 10% procurement requirements, the Municipal Mayor, within one (1) year after this Ordinance shall have taken effect, shall propose the necessary appropriation of funds to be used in the implementation of the Municipal Governments **Procurement and Marketing Plan for MSME products** to be taken from the General Fund, subject to the approval of the Sangguniang Bayan.

The Municipal Government is hereby authorized to accept funds from other GOs, NGAs, RLAs, NGOs, POs and the Business Sector to be used in the implementation of the **Procurement and Marketing Plan**, subject to proper government accounting and auditing procedures.

SECTION 9. Penalty Clause. Any private individual/person found to be in violation of this Ordinance or any of its provisions shall be subjected to a fine not Two Thousand Five Hundred Pesos (Php2,500.00) or imprisonment not exceeding six (6) months or both at the discretion of the court, without prejudice to administrative sanctions as may be imposed under existing laws, rules and regulations in the case of public officials.

SECTION 10. Separability Clause. If, for any reason or reasons, any part or provision of this ordinance shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall stand and continue to be in full force and effect.

SECTION 11. Repealing Clause. All local ordinances and enactments, executive orders, resolutions, memoranda, circulars or any part thereof contrary to or inconsistent with the provisions of this ordinance is hereby repealed, modified or amended accordingly.

SECTION 12. Effectivity Clause. After due public hearing, this Ordinance shall take effect after fifteen (15) days following its complete publication in at least one (1) local newspaper of general circulation.

CARRIED UNANIMOUSLY.

ENACTED AND APPROVED BY THE 23rd SANGGUNIANG BAYAN OF KANANGA, LEYTE DURING ITS REGULAR SESSION HELD ON OCTOBER 9, 2023 AT THE SB SESSION HALL, KANANGA, LEYTE

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(On Sick Leave)
HON. FERNANDO M. ASEO

Sangguniang Bayan Member/ Floor Leader

HON. RESURRECE ON C. CAPANAS
Sangguniang Bayan Member/Asst. Floor Leader

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HON. BRENZON C. CABINTOY Sangguniang Bayan Member

HON-RUDY B. COGAY Sangguniang Bayan Member

HON. RICHIE C. CRUZ Sangguniang Bayan Member

HON. NILO GONZAGA Liga Ng Mga Barangay President/ Ex-officio Member HON ALMA N. ORFANO Sangguniang Bayan Member

HON. MINERV M BULAWIT Sangguniang Bayan Member

HON. ALLAN C. ESPINOSA Sangguniang Bayan Member

HON JEFFSBOR G. CUIZON
Pambayang Pederasyon Ng Sangguniang
Kabataan President/Ex-officio Member

I HEREBY CERTIFY to the correctness of the afore-quoted ordinance.

ATTESTED:

HON. MIGUEL JORGE P. TAN Vice-Mayor/Presiding Officer

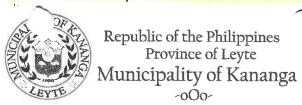
(Board Secretary V)
Secretary to the Sanggunian Bayan

APPROVED:

HON. MANUEL VICENTE M. TORRES

Municipal Mayor

(Date)



Office of the Secretary to the Sangguniang Bayan

NOTICE OF PUBLIC HEARING

(Scheduled on September 5, 2023 at ABC Hall Building)
The public is hereby notified that a Public Hearing on the

- 1. **Ordinance No. 23L.23-035** An Ordinance mandating the Local Government Unit of Kananga, Leyte, to conduct Ylang- Ylang (*Cananga Odorota*) Tree Planting Activity, as part of the Annual Foundation Celebration of the Municipality, and appropriating funds thereof".
- 2. **Ordinance** No. 23L.23-038- An ordinance prescribing for an Allocation of at least Ten Percent (10%) of the Total Procurement Value of the Municipal Government of Kananga, GAs, LAs and other government agencies holding offices in the municipality, for Locally-Produced Goods and Services and their mandatory promotion.

will be conducted by the 23rd Sangguniang Bayan of Kananga on the 5th day of September 2023, Tuesday, at 1:00 in the afternoon at the ABC Hall Building, Kananga, Leyte.

All interested parties / individuals are invited to attend the Public Hearing.

25 August 2023

ATTY. ALLAN R. GASTRO

(Board Secretary V)

Secretary to the Sangguniang Bayan



Republic of the Philippines Province of Leyte Municipality of Kananga SANGGUNIANG BAYAN OF KANANGA

PUBLIC HEARING

- Ordinance No. 23L.23-035- An Ordinance mandating the Local Government Unit of Kananga, Leyte, to conduct Ylang- Ylang (Cananga Odorota) Tree Planting Activity, as part of the Annual Foundation Celebration of the Municipality, and appropriating funds thereof".
- 2. Ordinance No. 23L.23-038- An ordinance prescribing for an Allocation of at least Ten Percent (10%) of the Total Procurement Value of the Municipal Government of Kananga, GAs, LAs and other government agencies holding offices in the municipality, for Locally-Produced Goods and Services and their mandatory promotion.

ABC Hall Building, Kananga, Leyte September 5, 2023

Attendance Sheet

NAME	OFFICE/ADDRESS	SIGNATURE
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Office of the Secretary to the Sangguniang Bayan

MINUTES OF PUBLIC HEARING HELD BY THE SANGGUNIANG BAYAN ON SEPTEMBER 5, 2023 AT THE ABC HALL BUILDING, KANANGA, LEYTE FOR THE FOLLOWING MUNICIPAL ORDINANCES, TO WIT:

1. Ordinance No. 23L.23-038- An ordinance prescribing for an Allocation of at least Ten Percent (10%) of the Total Procurement Value of the Municipal Government of Kananga, GAs, LAs and other government agencies holding offices in the municipality, for Locally-Produced Goods and Services and their mandatory promotion.

(Attendance hereto attached)

The Public Hearing was conducted by the Office of the Sangguniang Bayan spearheaded by the Office of the Vice Mayor thru Facebook Page and Posting in the public places. The said ordinance was referred to the Committee on Municipal Economic Enterprises, Committee on Rules and Laws and Committee on Ways and Means. The joint committee recommended to enact the said ordinance in support to the provision of Section 4 of Republic Act No. 9501 or the Magna Carta for Micro, Small and Medium Enterprises(MSMEs) which states that eligible MSMEs shall be entitled to a share of at least 10% of total procurement value of goods and services supplied to the government, its bureaus, offices, and agencies annually. The enactment of this ordinance is necessary so that all eligible MSMEs in the Municipality of Kananga can avail the benefits of the said ordinance.

The Public Hearing was attended some of the Punong Barangay of the 23 barangays, SK Chairmen, and eligible MSMEs registered in the Business Permits and Licensing Office, Mrs. Wineliza Semornines-Business Permit and Licensing Officer and Ms. Maria Estela Andrade-Negosyo Center Business Councilor from the DTI. And the Public hearing was open at 1:35 in the afternoon with an opening prayer led by Hon. Mariel P. Piano, SK Chairman of Brgy. Hiloctogan, and the Pambansang Awit conducted through Sound System. The SB Secretary Atty. Allan R. Castro acted as the master of the ceremony and presenter of the said ordinance. Before the introductory message of Atty. Castro he give the floor to the Municipal Vice Mayor Honorable Miguel Jorge P. Tan for his Welcome Address.

Atty. Castro discussed the provision of ordinance by section to fully understand what it means.

Hon. Cabintoy(SB Member and Sponsored of the said ordinance) He said that the Municipality of Kananga has a number of establishment of micro, small and medium and employ labor force and created local jobs. We can't deny that this business sector is also the backbone of our economy. Therefore this ordinance enacted also to encourage the growth and development of its MSMEs to boost the economy. After his discussion and explanation. The following attendees raised their suggestions/questions:

Mrs. Sermonies said that the eligible MSMEs are encourage by the BIR for the Tax exemption.

Hon. Cabintoy said that MSMEs should be registered to exempt their business in Tax collection.

Mrs. Seromines asked if the non-resident locally produced product is entitled for the benefits.

Hon. Cabintoy answered that it is not necessary resident but must be owned by Filipino citizens and the business activity conducted/ located in the Municipality of Kananga.

Ms. Andrade informed regarding MSME registry, she said that DTI has been implementing projects and we used the data and listing available from office of BPLO.

The closing and final message was rendered by Hon. Miguel Jorge P. Tan-Municipal Vice Mayor and public hearing formally ended at 2:44 in the afternoon.

Prepared by:

MARISEL B. DIZON
Local Legislative Staff Assistant I



Office of the Sangguniang Bayan

Telephone No. (053) 5539173 Email Address: sbkananga6531@gmail.com

October 19, 2023

CERTIFICATE OF POSTING

TO WHOM THIS MAY CONCERN:

THIS IS TO CERTIFY that for the period October 19 to October 31, 2023 the copies of the MUNICIPAL ORDINANCE NO. 23L.23-038 series of 2023, entitled: "AN ORDINANCE PRESCRIBING FOR THE ALLOCATION OF AT LEAST TEN PERCENT (10%) OF THE TOTAL PROCUREMENT VALUE OF THE **MUNICIPAL** OF KANANGA, Gas, Las, GOVERNMENT **HOLDING OFFICES AGENCIES** GOVERNMENT GOODS FOR LOCALLY-PRODUCED MUNICIPALITY, SERVICES AND THEIR MANDATORY PROMOTION THEREOF":

- 1. Bulletin Board at the entrance of Municipal Hall, Kananga, Leyte
- 2. Post at the Kananga Public Market Rotonda, Kananga, Leyte and
- 3. Entrance to the Session Hall, Kananga, Leyte

Issued this 19th day of October, 2023 in Kananga, Leyte

Administrative Aide III