

Item No.: 18
Date: 13 2026 JAN



Republic of the Philippines
PROVINCE OF LEYTE
Provincial Capitol
Tacloban City

Province of Leyte
Legal Office
Released: [Signature]
Time: 9:20
Date: 1-07-26

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PROVINCIAL LEGAL OFFICE Sangguniang Panlalawigan
Province of Leyte

2nd INDORSEMENT
December 23, 2025

RECEIVED
Date: JAN 08 2026
By: [Signature]

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through the SP Secretary, the attached Ordinance No. 22 of the Sangguniang Bayan of Barugo, Leyte.

Issues/concerns for review/recommendation/legal opinion is/are as follows:

- Ordinance No. 22 entitled: **“Kadiwa Variety Store of the LGU of Barugo, Leyte Ordinance.”**

REVIEW/RECOMMENDATION/LEGAL OPINION:

This office opines that the subject Ordinance is, in general, within the legislative authority of the Sangguniang Bayan under Section 18¹ in consonance with Section 313(a)² of the Local Government Code of 1991 (R.A 7160). Hence we recommend for the declaration of its validity.

We hope to have assisted you with this request. Please note that the opinion rendered by this Office are based on the facts available and may vary or change when additional facts and documents are presented or changed. This opinion is likewise without prejudice to the opinions rendered by higher and competent authorities and/or the courts.

ATTY. JOSE RAYMUND A. ACOL
Provincial Legal Officer [Signature]

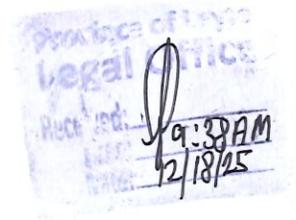
¹ (Power to Generate and Apply Resources. - Local government units shall have the power and authority to establish an organization that shall be responsible for the efficient and effective implementation of their development plans, program objectives and priorities; to create their own sources of revenues and to levy taxes, fees, and charges which shall accrue exclusively for their use and disposition and which shall be retained by them

² **Section 313. Special Accounts to be Maintained in the General Fund.** - Local government units shall maintain special accounts in the general fund for the following:
(a) Public utilities and other **economic enterprises**;
Profits or income derived the operation of public utilities and other economic enterprises, after deduction for the cost of improvement, repair and other related expenses of the public utility or economic enterprise concerned, shall first be applied for the return of the advances or loans made therefor. Any excess shall form part of the general fund of the local government unit concerned.

Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte
-o0o-

OFFICE OF THE SANGGUNIANG PANLALAWIGAN

1ST INDORSEMENT
17 December 2025



The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **Ordinance No. 22, series of 2025** of the **Municipality of Barugo, Leyte**, entitled: **An Ordinance establishing Barugo the Kadiwa Variety Store, owned and operated by the Municipality of Barugo, Leyte, establishing it as a Local Economic Enterprise (LEE), regulating its operation, and for other purposes thereof.**


FLORINDA JILL S. UYVICO
Secretary to the Sanggunian



OFFICE OF THE SANGGUNIANG BAYAN

CERTIFICATION OF POSTING

THIS IS TO CERTIFY that Ordinance No. 22, S. 2025, ENTITLED “AN ORDINANCE ESTABLISHING THE KADIWA VARIETY STORE, OWNED AND OPERATED BY THE MUNICIPALITY OF BARUGO, LEYTE, ESTABLISHING IT AS A LOCAL ECONOMIC ENTERPRISE (LEE), REGULATING ITS OPERATION, AND FOR OTHER PURPOSES THEREOF“ was posted in three (3) conspicuous places in the Municipality of Barugo, Leyte in compliance with the provisions of RA 7160, otherwise known as Local Government Code of 1991.

This certification is issued this 16th day of December, 2025, for whatever legal purpose this may serve.


DANILO V. AVOROUE
SB Secretary

Barugo Padayon An Gugma!

Municipal Hall, Burgos St. Poblacion District I Barugo, Leyte

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 Municipality of Barugo, Leyte



OFFICE OF THE SANGGUNIANG BAYAN

December 17, 2025

HON. LEONARDO "SANDY" JAVIER, JR.
Vice-Governor/Presiding Officer
Sanggunian Panlalawigan
Province of Leyte

Sangguniang Panlalawigan
Province of Leyte
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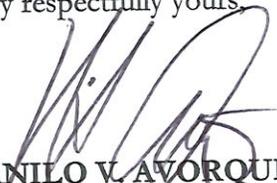
THRU: FLORINDA JILL S. UYVICO
Secretary to the Sanggunian
Province of Leyte

Sir:

Respectfully submitted to your good office for review the herein ORDINANCE NO. 22, 2025 ENTITLED "AN ORDINANCE ESTABLISHING THE KADIWA VARIETY STORE, OWNED AND OPERATED BY THE MUNICIPALITY OF BARUGO, LEYTE, ESTABLISHING IT AS A LOCAL ECONOMIC ENTERPRISE (LEE), REGULATING ITS OPERATION, AND FOR OTHER PURPOSES THEREOF."

Anticipating your favorable action on this matter.

Very respectfully yours,


DANILO V. AVORQUE
SB Secretary

Barugo Padayon An Gugma!

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OFFICE OF THE SANGGUNIANG BAYAN

EXCERPT FROM THE MINUTES OF THE MEETING OF THE 11TH SANGGUNIANG BAYAN OF BARUGO, LEYTE ON ITS 19TH REGULAR SESSION HELD ON THE 18TH DAY OF NOVEMBER 2025, AT THE MUNICIPAL SESSION HALL, LEGISLATIVE BUILDING, BARUGO, LEYTE.

- Present: Atty. Jesus B. Cabanacan, Municipal Vice Mayor; Hon. Felix A. Diloy, Presiding Officer; Hon. Josephine C. Tiu, SB Member; Hon. Roselyn L. Baltar, SB Member; Hon. Nikkos Rhet V. Astorga, SB Member; Hon. Sonia A. Cañeda, SB Member; Hon. Charee Mae M. Avila, SB Member; Atty. Harold Edgar C. Apostol, SB Member; Hon. Joemar Q. Acebo, Liga Ng Mga Barangay President; Hon. Eric C. Hingpis, Pederasyon Ng Mga SK President; Absent: Hon. Eduardo C. Calzita, SB Member (FL)

Sangguniang Panlalawigan Province of Leyte RECEIVED DEC 17 2025 Date: By: [Signature]

ORDINANCE NO. 22, S. 2025

AN ORDINANCE ESTABLISHING THE KADIWA VARIETY STORE, OWNED AND OPERATED BY THE MUNICIPALITY OF BARUGO, LEYTE, ESTABLISHING IT AS A LOCAL ECONOMIC ENTERPRISE (LEE), REGULATING ITS OPERATION, AND FOR OTHER PURPOSES THEREOF.

(Sponsored By: Hon. Nikkos Rhet V. Astorga)

WHEREAS, Section 17 of the Local Government Code of 1991 mandates that, "The LGU shall provide basic services and facilities, including economic enterprise, as deemed necessary and appropriate for the general welfare of their constituents";

WHEREAS, the Municipality of Barugo, Leyte aims to enhance local services, create employment, and provide affordable and accessible basic commodities through the establishment of locally-managed variety store;

WHEREAS, it is in the interest of the public to regulate and institutionalize the operation of such enterprise to ensure transparency, sustainability, and community benefit;

NOW THEREFORE, on motion of Hon. Nikkos Rhet V. Astorga, unanimously seconded by all Sangguniang Bayan Members, resolve, as it is hereby resolved, to enact this Ordinance Establishing the Kadiwa Variety Store, Owned and Operated by the Municipality of Barugo, Leyte, Establishing It as a Local Economic Enterprise (LEE), Regulating its Operation, and For Other Purposes Thereof.

BE IT ORDAINED by the Honorable Members of the Sangguniang Bayan of Barugo, Leyte, in a Regular Session assembled to wit:

SECTION 1. TITLE. - This Ordinance shall be known as the "Kadiwa Variety Store of the Local Government Unit (LGU) of Barugo, Leyte Ordinance";

SECTION 2. DECLARATION OF POLICY. - It is the policy of the Municipality of Barugo, Leyte to engage in local economic enterprise (LEE) that contribute to community development, promote fair trade, support local producers, and provide accessible and affordable goods to constituents.

Barugo Padayon An Gugma!

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OFFICE OF THE SANGGUNIANG BAYAN

SECTION 3. ESTABLISHMENT OF KADIWA VARIETY STORE AS A LOCAL ECONOMIC ENTERPRISE (LEE). – There is hereby established a Kadiwa Variety Store, a local economic enterprise (LEE) owned and managed by the Municipality of Barugo, Leyte, located at the Municipal Ground, Local Government Unit of Barugo, Leyte;

SECTION 4. OBJECTIVES. – The Kadiwa Variety Store shall aim to:

1. Provide affordable and quality basic commodities to the local population, including the Barugo Municipal Infirmery (BMI);
2. Promote and sell local products from farmers, cooperatives, association, and micro-entrepreneurs;
3. Generate employment opportunities within the locality; and,
4. Generate additional revenue for the LGU to fund public services and development projects.

SECTION 5. MANAGEMENT AND SUPERVISION. – The Kadiwa Variety Store shall be supervised by the Municipal Treasurer's Office and eventually by the Municipal Economic Enterprise Office once established.

A Store Manager and Store personnel, such as Cashier, Sales Clerk, Inventory Clerk and Utility Worker, shall be designated or hired by the Local Chief Executive, subject to the qualification standards and salary grades under the rules of the Civil Service Commission and the Department of Budget and Management.

The Local Chief Executive shall create a LGU Monitoring Committee, composed of the following:

1. Chairperson: Municipal Mayor;
2. Vice Chairperson: Municipal Economic Enterprise Office Head;
3. Member: Representative from the Office of the Sangguniang Bayan;
4. Member: Municipal Treasurer;
5. Member: Municipal Accountant;
6. Member: Municipal Social Welfare and Development Officer; and,
7. Member: One (1) Representative from the Civic Society Organization (CSO) or Non-Government Organization (NGO).

SECTION 6. OPERATING HOURS. – The Kadiwa Variety Store shall operate from 8:00 a.m. to 5:00 p.m., Mondays to Fridays, unless otherwise determined by the Local Chief Executive during holidays or emergencies.

SECTION 7. PRICING POLICY. – The Kadiwa Variety Store shall sell goods and farm produce at fair and competitive prices, ensuring affordability without undercutting private competitors.

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OFFICE OF THE SANGGUNIANG BAYAN

Pricing shall consider the following factors:

1. Suggested Retail Prices (SRPs) from the Department of Trade and Industry (DTI) and the Department of Agriculture (DA);
2. Reasonable mark-up not exceeding ten (10%) percent of acquisition cost to sustain its operation; and,
3. Special discounts for indigent families and statutory discounts to senior citizens and persons with disabilities (PWDs) shall be provided.

SECTION 8. PROHIBITIONS. – The following acts are hereby deemed prohibited by law, to wit:

1. Use store assets for personal or political gain;
2. Misappropriate funds, assets, or inventory;
3. Engage in unfair trade practices or overpricing; and,

Violators shall be subjected to administrative, criminal or civil sanctions under applicable laws.

SECTION 9. FUNDING REQUIREMENTS. – An initial amount of Five Hundred Thousand (P500,000.00) Pesos shall be allocated from the LGU's General Fund under the Annual Budget for CY 2026 for its capital outlay, inventory, and operational costs. Subsequent operations shall be self-sustaining through the revenues generated by the Kadiwa Variety Store.

SECTION 10. AUDITING AND REPORTING. – The Store Manager shall submit a monthly financial and inventory report to the LGU Monitoring Committee.

The Annual Audit shall be conducted by the Commission on Audit (COA) or its authorized representative.

SECTION 11. PRE-OPERATION DOCUMENTARY REQUIREMENTS. – In compliance with the Department of Budget and Management (DBM) Local Budget Circular No. 111 dated June 10, 2016, or the *“Manual on the Setting Up and Operation of Local Economic Enterprises (LEEs)”*, the following pre-operation documentary requirements are hereby adopted to form as an integral part of this Ordinance, to wit:

1. Feasibility Study (*Copy Attached*); and,
2. Five (5) Year Business Plan (*Copy Attached*).

SECTION 12. IMPLEMENTING GUIDELINES. - The LGU Monitoring Committee shall prepare and finalize the Implementing Guidelines prior to the operation of the Kadiwa Variety Store, including the compliance of the necessary permits with the DTI and its attached agencies for local economic enterprises (LEEs).

SECTION 13. SEPARABILITY CLAUSE. – If, for any reason, any Section or provision of this Ordinance is declared invalid or unconstitutional, other Sections or provisions thereof, which are not affected thereby, shall continue to be in full force and effect.

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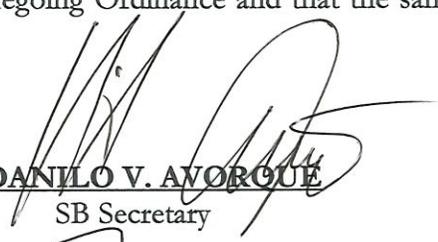
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SECTION 14. REPEALING CLAUSE. – All ordinances, resolutions, rules and regulations, or parts thereof, in conflict or inconsistent with any of the provisions of this Ordinance, are hereby amended or repealed accordingly.

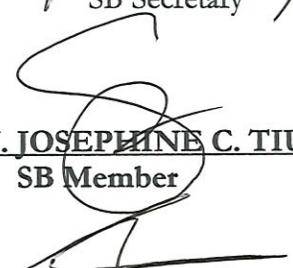
SECTION 15. EFFECTIVITY. – The provisions of this Ordinance shall take effect upon its approval.

UNANIMOUSLY APPROVED, this 18th day of November 2025, in Barugo, Leyte.

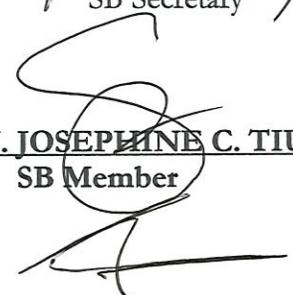
I HEREBY CERTIFY to the correctness of this foregoing Ordinance and that the same was enacted on the date above-stated.


DANILO V. AVORCUE
SB Secretary


HON. FELIX A. DILOY
SB Member

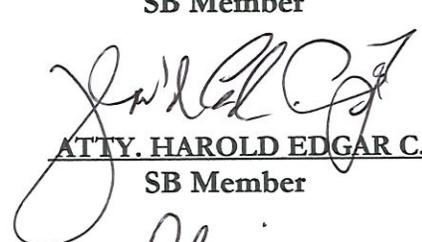

HON. JOSEPHINE C. TIU
SB Member

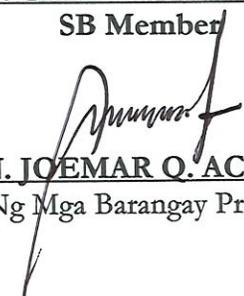

HON. ROSLYN L. BALTAR
SB Member


HON. NIKKOS RHET-V. ASTORGA
SB Member


HON. SONIA A. CAÑEDA
SB Member


HON. CHAREE MAE M. AVILA
SB Member


ATTY. HAROLD EDGAR C. APOSTOL
SB Member

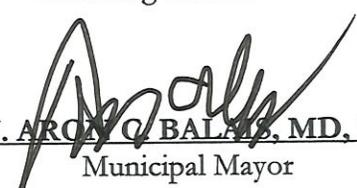

HON. JOEMAR Q. ACEBO
Liga Ng Mga Barangay President


HON. ERIC C. HINGPIS
Pederasyon Ng Mga Sanggunian Kabataan

ATTESTED BY:


ATTY. JESUS B. CABANACAN
Municipal Vice Mayor
Presiding Officer

APPROVED BY:


HON. ARON Q. BALALA, MD, FPCEM
Municipal Mayor

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