

Republic of the Philippines
Province of Sorsogon
CITY OF SORSOGON



Office of the Sangguniang Panlungsod

EXCERPTS FROM THE MINUTES OF THE REGULAR SESSION OF THE EIGHTH CITY COUNCIL HELD AT THE SANGGUNIANG PANLUNGSOD SESSION HALL, CABID AN, EAST DISTRICT, SORSOGON CITY ON FEBRUARY 14, 2023.

PRESENT:

HON. MARK ERIC C. DIONEDA
City Vice Mayor/ Presiding Officer

WEST DISTRICT

Hon. Peter Joseph J. Ravanilla
Hon. Nestor J. Baldon
Hon. Bryan J. Pingul
Hon. Ma. Teresa D. Perdigon

EAST DISTRICT

Hon. Maria Theresa S. Gonzalez
Hon. Mark Jayson D. Jamisola
Hon. Angelu Magda P. Ravanilla

BACON DISTRICT

Hon. Jo Abegail C. Dioneda
Hon. Reynaldo C. Taladtad
Hon. Glenn P. Olbes
Hon. Danilo A. Deladia

EX-OFFICIO MEMBERS

Hon. Bessie C. Diaz
Hon. Renalene Mae J. Duka

ABSENT:

Hon. Lester R. Lubiano – on Official Business

Resolution No. 098, Series of 2023

(Author: Hon. Peter Joseph J. Ravanilla)

RESOLUTION ENACTING AN ORDINANCE ALLOCATING AT LEAST TEN PERCENT (10%) OF THE TOTAL PROCUREMENT VALUE OF GOODS AND SERVICES SUPPLIED ANNUALLY TO THE CITY GOVERNMENT OF SORSOGON FOR LOCALLY MANUFACTURED/SOURCED GOODS AND SERVICES THEREBY STRENGTHENING MICRO SMALL AND MEDIUM ENTERPRISES (MSME'S) IN THE LOCALITY.

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 the said law provides 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;

WHEREAS, the City of Sorsogon has approximately 700 MSMEs who are into manufacturing/processing, making up at least 20% of the total number of registered businesses in the city;

WHEREAS, the City Government of Sorsogon 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 **Hon. Peter Joseph J. Ravanilla** duly seconded by **Hon. Renalene Mae J. Duka**, resolve as it is hereby done to enact an ordinance establishing the MSME Development and Assistance Program of the City of Sorsogon, giving priority to locally made products and services, and providing funds for the implementation thereof.

City Ordinance No. 09, Series of 2023

AN ORDINANCE ALLOCATING AT LEAST TEN PERCENT (10%) OF THE TOTAL PROCUREMENT VALUE OF GOODS AND SERVICES SUPPLIED ANNUALLY TO THE CITY GOVERNMENT OF SORSOGON FOR LOCALLY MANUFACTURED/SOURCED GOODS AND SERVICES THEREBY STRENGTHENING MICRO SMALL AND MEDIUM ENTERPRISES (MSME'S) IN THE LOCALITY.

Be it ordained by the 8th City Council of Sorsogon in session assembled that:

SECTION 1. SHORT TITLE. This Ordinance shall be known as the **“Buy Local: PRIORITIZATION, PROMOTION AND PROCUREMENT OF LOCALLY-PRODUCED GOODS AND SERVICES ORDINANCE OF 2023”**;

SECTION 2. DEFINITION OF TERMS. As used in this Ordinance, the following terms shall mean:

- a. **Locally-produced goods and services** – These are food and non-food products and services locally produced, offered, made and or provided in the City of Sorsogon.
- 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** – City Government-administered outlets where MSMEs may display/sell their products.
- d. **Rural/agri-based Enterprises** – businesses that are into:
 - agricultural production; and/or,
 - processing agricultural produce/raw materials into finished goods;

- e. **Tourism-related Establishments** – establishments offering services in support to tourism such as hotels, restaurants, shops, museums, training centers, homestays, sports and recreational clubs, among others.

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 entity, at least sixty percent (60%) of its capital or outstanding stock must be owned by a Filipino citizen residing in City of Sorsogon; 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.

SECTION 4. MSME REGISTRY. Within three (3) months after the effectivity of this Ordinance, the Permits and Licensing Division of the City Government, in coordination with the Negosyo Center of Sorsogon City and all barangays, shall submit to the City Mayor and the Sangguniang Panlungsod 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 City Government and shall be subject to validation by the Office of the City Mayor, in coordination with the Department of Trade and Industry and various NGAs in the City of Sorsogon 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 City Government believes that the role of MSMEs is vital in the prosperity of the City of Sorsogon. At least 20% of the businesses registered comprise of the processing/manufacturing/service sectors, and they contribute much to the resources of the City of Sorsogon. With reference to this data, the City Government of Sorsogon 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 City Government, NGAs, RLAS and other government agencies holding offices in the City of Sorsogon, consideration must first be made whether or not there are local counterparts of these products/services deemed to be purchased.
- b. All tokens to be given in all activities of the City Government, NGAs, RLAS and other government agencies holding offices in the City of Sorsogon must be locally- produced goods and/or services;
- c. Goods displayed and offered for sale in Pasalubong Centers generally consists of locally produced products;

- d. Allocation of the total procurement value of goods and services supplied to the City Government, NGAs, RLAs and other government agencies holding offices in Sorsogon City annually shall be 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 City Administrator's Office, City Budget Office, City Treasurer's Office, City Planning and Development Office, City Tourism Office, City General Services Office, City Agriculture Office, Negosyo Center Sorsogon City, Bids and Awards Committee and any unit/division within the LGU with similar function shall ensure that the provisions of this Ordinance are strictly observed. They are hereby tasked to be 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, primary offices mentioned in Section 7 of this ordinance shall prepare the Implementing Rules and Regulations of this ordinance and submit the same to the Sangguniang Panlungsod 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 relevant provisions of Republic Act 9184 otherwise known as the "Government Procurement Act of 2003" and its Implementing Rules and Regulations.
- c. Regularly coordinate with National Government Agencies (NGAs), Regional Line Agencies (RLAs) and other government agencies holding offices in the City of Sorsogon 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. ALLOCATION OF 10% OF THE PROCUREMENT VALUE OF GOODS AND SERVICES TO LOCALLY PRODUCED GOODS AND SERVICES. The 10% procurement value requirement as herein provided shall be reflected in the Annual Performance Budget of the City Government of Sorsogon for the ensuing year, thus proposal for the necessary appropriation of funds to be used in the implementation of the City Government's Procurement and Marketing Plan for MSME's by the primary implementing offices are hereby enjoined.

The City 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. SEPARABILITY CLAUSE. If, for any reason or reasons, any part or text 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 10. 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 11. EFFECTIVITY CLAUSE. After due public hearing, this Ordinance shall take effect after fifteen (15) days following its posting to three (3) conspicuous places in the City of Sorsogon.

DATE APPROVED : FEBRUARY 14, 2023

I HEREBY CERTIFY to the correctness of the foregoing resolution and ordinance.


ROVAN E. DOMASIAN
Secretary to the Sangguniang Panlungsod

ATTESTED:


MARK ERIC C. DIONEDA
City Vice Mayor / Presiding Officer

APPROVED:


MA. ESTER E. HAMOR
City Mayor