



61<sup>st</sup> Session

7<sup>th</sup> SP

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE 7<sup>TH</sup> SANGGUNIANG PANLUNGSOD OF THE CITY OF BOGO HELD AT THE SESSION HALL ON AUGUST 23, 2023

Present:

Hon. Maria Cielo A. Martinez	Vice-Mayor, Presiding Officer
Hon. Erwin P. Rosal	SP Member
Hon. Romeo B. Alarde Jr.	SP Member
Hon. Alexie R. Sevilla	SP Member
Hon. Domingo P. Armenton	SP Member
Hon. Santiago M. Oliamot	SP Member
Hon. Victor Elliot S. Lepiten III	SP Member
Hon. Emma U. Jagdon	Ex-Officio Member, ABC President

On Official Business:

Hon. Luis A. Asierto Jr.	SP Member
Hon. Ethel A. Gulane	SP Member
Hon. Vivian M. Canama	SP Member
Hon. Noel S. Seno	SP Member

On Forced Leave:

Hon. Philippe Romeo V. Tolingin	Ex-Officio Member, SKF President
---------------------------------	----------------------------------

**WHEREAS**, City of Bogo aims to digitalize the government services to ensure efficient and fast delivery of services to the public;

**WHEREAS**, Integrated Management Information System (IMIS) is a pioneering digitalization initiative in response to the President's call for digital transformation. It aims to link and streamline all offices within Bogo City, enhancing the delivery of public services through real-time information sharing, efficient processes, and improved data management;

**WHEREAS**, on February 7, 2023 the Sanggunian passed Resolution No. 042-2023 authorizing the Mayor to negotiate for a term loan with the Land Bank of the Philippines (LBP) amounting to seventy million pesos (Php 70,000,000.00) for the development of an integrated management information system of the City Government of Bogo";

**WHEREAS**, on June 1, 2023 LBP favorably considered the negotiation for a loan facility to finance the acquisition of Integrated Management Information System;

**WHEREAS**, the Letter of Approval of LBP dated June 9, 2023 provides, among others, that the authorization of the Mayor to sign the loan agreement and execute and deliver any and all promissory notes, deed of assignments, and other necessary documents shall be in a form of an ordinance as a requirement for pre-release;

**WHEREAS**, the Mayor is hereby granted due authority to sign the instruments pertinent to the availment of the subject loan pursuant to Section 455(b)(1)(vi) of The Local Government Code of 1991;

**WHEREAS**, it is but imperative to appropriate the loan proceeds for the purpose;

**WHEREAS**, a copy of the loan agreement is attached as Annex "A Ordinance 020-2023" and made part hereof;

**THEREFORE**, on motion of Hon. Alexie R. Sevilla duly seconded by Hon. Santiago M. Oliamot, be it;

**RESOLVED**, as it is hereby resolved, to enact the following:

### ORDINANCE NO. 020-2023

**AN ORDINANCE AUTHORIZING THE CITY MAYOR, HONORABLE CARLO JOSE A. MARTINEZ, TO NEGOTIATE AND ENTER INTO LOAN AGREEMENT WITH LAND BANK OF THE PHILIPPINES IN THE AMOUNT OF SEVENTY MILLION (PHP 70,000,000.00) FOR THE ACQUISITION OF CITY OF BOGO-INTEGRATED MANAGEMENT INFORMATION SYSTEM, AND FURTHER AUTHORIZING HIM TO SIGN AND DELIVER ALL LOAN AGREEMENTS AND DOCUMENTS**

Authored by Hon. Alexie R. Sevilla  
Chair, Committee on Ways and Means

Be it ordained by the Sangguniang Panlungsod of the City of Bogo in session assembled that:

Section 1. **Authority to Enter Into Loan.** The City Mayor, in representation of the City Government of Bogo, Cebu, herein after referred to as the "City", is hereby authorized to enter in a Loan Agreement with Land Bank of the Philippines in accordance with Section 297 of Republic Act No. 7160 or the Local Government Code, in the amount of seventy million pesos (Php 70,000,000.00), under the Terms and Conditions herein set forth and such terms and conditions as may be agreed upon with any person, corporation, or entity for the purposes of funding priority projects, and subject to the requirements under Section 123 of Republic Act No. 7653 as implemented by the Bangko Sentral ng Pilipinas Circular No. 402. In this connection the City 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 full and total implementation of the authority herein granted.

Section 2. **Certification.** The said priority project, herein specified as the "Acquisition of City of Bogo-Integrated Management Information System", is hereby certified to be included in the ICT Innovation and Smart City Program in accordance with the approved local development plan and public investment program or the Annual Investment Plan 2022 of City of Bogo as approved under the Sanggunian Panlungsod Resolution No. 194-2022 dated October 26, 2022.

Section 3. **Loan Terms and Conditions.** Consistent with the covering of City Resolution No. 042-2023 contracts of deeds and assignment, mortgage contracts and other agreements as may be entered into by the city in connection with the borrowing, the features, terms and conditions shall be as follows and hereby approved:

3.1 Project Name

Borrower : City Government of Bogo  
Amount : Seventy million pesos only (Php 70,000,000.00)  
Purpose : To finance the acquisition of City of Bogo-Integrated Management Information System  
Term : Five (5) years but not to exceed the Estimated Remaining Useful life of the objects to be financed  
Mode of Release : Staggered or lump sum to be credited to the borrower's account maintained with Landbank, subject to the following:  
1. 1<sup>st</sup> Release : 15% of the approved amount or contract amount, whichever is lower;  
2. Succeeding Releases : Based on the Borrower's Actual Accomplishment Report;  
3. Final Release : Shall be a minimum of 10% of the loan subject to the submission of the following:  
a. Certificate of Acceptance by the Borrower's Authorized Signatory signifying their acceptance of the fully completed project, and;  
b. Appraisal Report issued by the PVCID showing 100% project completion.  
Penalty : Twenty-four percent (24%) per annum to commence on the day immediately after due date of loan amortization /credit accommodation to date of settlement.

3.2 Manner of Payment

Principal : Payable in twenty (20) equal quarterly amortizations to start at the end of the first quarter from date of initial release of the loan. Pre-payment of the principal shall be applied in order of maturity.  
Interest : Payable quarterly in arrears to start at the end of the first quarter from date of initial release of the loan.  
Interest Rate : Fixed rate of 5.5% per annum subject to the following:  
1. Annual review on loans and deposits;  
2. ADB on deposits year-to-date should be 1.50x on ALB on loans;

3. Nominal rate of deposits shall not be more than 0.05%.

In the event that the above conditions are not met the loan shall be repriced quarterly at applicable Land Bank rate but not lower than 6.50%.

Collateral/  
Guarantee  
Security : Assignment of the 20% Internal Revenue Allotment (IRA)

Fees and  
Charges : 1. Prepayment fee of 2% shall be charged on the principal amount to be paid if loan is taken-out by another bank/financial institution  
2. Commitment Fee : waived  
3. Handling Fee : waived

Section 4. **Other Terms and Conditions.** The City hereby agrees and approved the following Other Terms and Conditions:

4.1 Initial release shall be subject to the submission of the following:

4.1.1 SP Ordinance approving the terms and conditions of the Loan Agreement and the Local Chief Executive's authority to sign, and specifically providing the following:

- a. Authority of the Mayor to negotiate and enter into loan agreement for pesos: seventy million (Php 70,000,000.00) only with LBP and to execute and deliver any and all Promissory Notes, Deed of Assignment, and other necessary loan documents;
- b. Directing the LGU Treasurer and Accountant to enter the loan in the appropriate books of the LGU;
- c. Authorizing the assignment by the LGU of its as loan collateral;
- d. Appropriating the amounts for the repayment of loan, interest, and other charges in the annual budget of the LGU until full payment thereof;
- e. Authorizing LBP to set-off or deduct amounts from any deposits or funds of the LGU with LBP and apply the same to the payment of the loan, interest and other amounts due thereon;



- f. Designating LBP as the LGU's official depository bank for National Tax Allotment (NTA) and major depository bank for its 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 NTA-administering office.
- 4.1.2 Seal of Good Financial Housekeeping;
- 4.1.3 BLGF Certificate of Net Borrowing Capacity;
- 4.1.4 Provincial Validation of LGU's Borrowing Ordinance;
- 4.1.5 Joint Certification by the Bids and Awards Committee (BAC) Chair and by the LCE that the LGU as complied with RA 9184 as well as COA rules and regulations;
- 4.1.6 All releases shall be subject to contract provisions between the LGU and the supplier;
- 4.1.7 The Bank reserves the right to withhold loan release should there be:
  - a. A case filed against the LGU or its officials involving the projects to be financed;
  - b. Adverse findings on the project or object of financing; or
  - c. Withdrawal of the Sanggunian on the authority of the Local Chief Executive (LCE) to contract this loan.
- 4.1.8 The Borrower shall give its consent to Landbank to disclose credit information about the Borrower to other banks, financial institutions, the Bankers Association of the Philippines Credit Bureau (BAP-CB) and other credit bureaus or institutions;
- 4.1.9 Change on the type and specification of the equipment is allowed provided total amount of loan will not exceed the approved loan amount;
- 4.1.10 Loan proceeds for the acquisition of fixed assets shall be credited to the account of the Borrower with Landbank;
- 4.1.11 For Legal purposes, it is required that the borrower shall execute an authorization for Landbank to debit its deposit account to cover any loan payment as they fall due;
- 4.1.12 Cost overruns shall be for the account of the Borrower;

- 4.1.13 All applicable government regulations and requirements should be complied with prior notice to loan release whenever applicable;
- 4.1.14 Post release requirement that LGU shall submit annually a certification that the proposed sources of repayment are available and not restricted by Law and its obligations are appropriated with their respective budget.

Section 5. **Appropriation of Loan Proceeds.** The City hereby appropriates the entire proceeds of the borrowing exclusively to finance the above-mentioned project and other financial obligations relative thereto.

Section 6. **Separability Clause.** In the event that any part or provision of this Ordinance is held unconstitutional or invalid, other parts or provisions not otherwise affected shall remain in full force and effect.

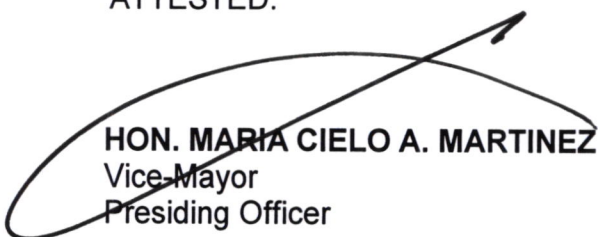
Section 7. **Express Repeal.** City Resolution No. 042-2023 entitled "*Resolution Authorizing The Mayor To Apply And Negotiate For A Term Loan With The Land Bank of the Philippines Amounting To Seventy Million Pesos (Php 70,000,000.00) For The Development OF An Integrated Management Information System Of The City Government Of Bogo*" is hereby repealed.

Section 8. **Effectivity.** This ordinance shall be effective immediately after approval consistent with the local government code.

CERTIFIED TRUE AND CORRECT:

  
MAÍTA T. LABRADO  
SP Secretary

ATTESTED:

  
HON. MARIA CIELO A. MARTINEZ  
Vice-Mayor  
Presiding Officer

APPROVED:

  
HON. CARLO JOSE A. MARTINEZ  
Mayor

Date of Approval:	<u>AUG 29 2023</u>
Date of Public Hearing:	<u>Not Mandatory</u>
Date of Posting:	<u>AUG 29 2023</u>
Date of Publication:	<u>Not Mandatory</u>
Date of Effectivity:	<u>AUG 29 2023</u>