Republic of the Philippines
Province of Samar
Municipality of Pinabacdao
OFFICE OF THE SANGGUNIANG BAYAN

MUNICIPAL ORDINANCE NO. 22-008

Series 2022

AN ORDINANCE MANDATING ALL THE DEPARTMENTS OF THE LOCAL GOVERNMENT UNIT OF PINABACDAO, SAMAR TO UTILIZE AT LEAST TEN PERCENT (10%) OF THEIR RESPECTIVE APPROVED ANNUAL PROCUREMENT PLANS (APP's) FOR THE PURCHASE OF LOCALLY PRODUCED PRODUCTS AND SERVICES OF MSMES AND TO ALL ALLOCATE FUNDS THEREOF FOR THE ESTABLISHMENT AND OPERATION OF ITS IMPLEMENTING MECHANISM.

WHEREAS, it is widely accepted that Micro, Small and Medium Enterprises (MSMES) play a very important and significant role in the economic and social development of a community;

WHEREAS, it is a declared policy of the state to promote, support, strengthen and encourage the growth and development of MSME's in all productive sectors of the economy particularly rural/Agri-based enterprises by assuring to them a fair share of government contracts, related incentives, and preferences;

WHEREAS, Republic Act 6977 as amended by Republic Act 8289, and further amended by Republic Act 9501 otherwise known as the Magna Carta for Micro, Small and Medium Enterprises recognizes the potential of MSMEs to generate more employment and economic growth and therefore can help provide a self-sufficient industrial foundation for the country;

WHEREAS, section 4 of the Magna Carta for Micro, Small and Medium Enterprises entitles eligible SMEs a share of at least ten percent (10%) of the total procurement value goods and services supplied to Government, its bureaus, offices and agencies, annually;

WHEREAS, Article XII, section 43 of Republic Act 9148, otherwise known as the Government Procurement Reform Act permissively provides that in the procurement of goods and services fort the Government, procuring entity may give reference to the purchase of domestically-produced and manufactured goods, supplies and materials that meet the specified or desired quality;

WHEREAS, it is the incumbent duty of the Local Government Unit of Pinabacdao, Samar to formulate local laws, rules, policies and regulations that will address the distinct needs of its MSMEs by helping them promote their products and services and thereby expand their market access;

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WHEREAS, the passage of this Ordinance will greatly help the continuous viability and growth of MSMEs and thereby attain countryside industrialization;

NOW THEREFORE, be it ordained by the Sangguniang Bayan of Pinabacdao in session assembled to enact:

CHAPTER 1- PRELIMINARY PROVISIONS

SECTION 1. Short Title. This Ordinance shall be Market Access Expansion and Promotion of Locally Produced Products and Services, otherwise known as "Buy Local Products";

SECTION 2. Declaration of Policy. Consistent with the policy of the state to promote, strengthen, support and encourage the growth and development of MSMEs, it is hereby declared as a policy of the Local Government Unit of Pinabacdao, Samar to utilize at least Ten Percent (10%) of its Approved Annual Procurement Plan (APP) for the purchase of locally produced products and services of MSMEs. Along this line, all Government Entitles holding Offices and/or implementing Programs, Projects, and activities (Pas) within the Municipality are enjoined to observe the same;

SECTION 3. Definition of Terms. The words, terms and phrases enumerated hereunder shall be understood to have the meaning correspondingly indicated as follows:

a. Government Entitles- refer to all government institutions holding offices and/or implementing Programs, Projects or Activities within the locality, be it Local, National, State, Universities and Colleges, Government Owned and/or Controlled Corporations, and Government Financial Institutions.
b. Local MSMEs- refers tom Micro, Small and Medium enterprise duly-established with place of operation located within the locality and producing/selling food and/or non-food products, or offering services to customers and included in the MSME Registry.
c. Locally Produced Products and Services- refer to booth food and non-food products produced or sold by SMEs including services, be it personal, professional or business support.
d. Micro, Small and Medium Enterprise- refers to any business or enterprise engaged in industry, agribusiness, trade and/or service whether single proprietorship, partnership, corporation, association or cooperative whose total assets inclusive of those arising from loans but exclusive of the value of land on which the enterprise use for its operation shall not exceed One Hundred Million Pesos (P 100.00 MILLION).
e. MSME Registry- refers to the list of eligible Local MSMEs registered by the Economic Enterprise Office of the LGU producing and/or offering locally produced food and non-food products and services, and the ones entitled of the benefits provided for by this Ordinance.

f. Display Center- refers to the place where locally produced products od MSMEs are displayed and made available for sale to interested buyers specially government entitles.
g. Services Enterprise Office- refers to a place where a service enterprise holds office and accepts transactions/services for its clients.

CHAPTER II- REGISTRATION, ELIGIBILITY AND BENEFITS OF MSMES

SECTION 4. Registration of MSMES. Within three months after the effectivity of this Ordinance, the economic enterprise office of the Local Government Unit of Pinabacdao in coordination with its business permit and licensing office (BPLO) shall assess and register qualified MSMES to be entitled with the benefits of this Ordinance. Registered MSMEs shall be compiled and be known as the MSME Registry of the Local Government Unit. The MSME registry shall be updated annually, or as often as possible by the Economic Enterprise Office, and through the Local Chief Executive, recommends its approval by the Sangguniang Bayan of Pinabacdao, Samar. Any inclusion or exclusion from the list shall be thoroughly evaluated by the Economic Enterprise Office. The approved MSME registry shall be posted in the official website of the LGU and this shall serve as the basis of all concerned Government Entities for their procurement of needed locally produced products and services.

SECTION 5. Eligibility of MSME. Any business entity having the qualifications herein enumerated below shall be included I the MSME Registry:

a. Total asset of the enterprise shall not be more than P 100.00 MILLION;
b. It must be duly registered with appropriate registering agency like DTI, SEC, CA or DOLE, including other statutory and registrations;
c. Presently doing business within the locality with duly updated Mayor's permit and engaged in the production, distribution and sale of local food and/or non-food products, or extending services to customers; and
d. Other qualifications the LGU may require on case-to-case basis.

SECTION 6. Benefits/Privileges and Registered MSMEs. MSMEs included in the registry of MSMEs are the ones entitled of the benefits/privileges provided for under this Ordinance. Benefits/Privileges enjoyed include but not limited to the Supply of at least 10% of the total procurement value of goods and services of the Local Government Unit of Pinabacdao, Samar including all government entities holding offices and/or implementing programs, projects and activities within the locality.

CHAPTER III. IMPLMENTING MECHANISM, MONITORING AND BUDGET APPROPRIATION

Section 7. Implementing Mechanism. To help promote the distribution/sale of locally produces products and services of MSMEs, and to facilitate the compliance of the Local Government Unit of Pinabacdao, Samar and other government entities holding offices and .or implementing programs, projects and activities (PPEs) within the Municipality in relation to the provision of Section IV of the Magna Carta for MSMEs, data or information regarding the locations of display outlets of locally produced products and/or offices of service enterprises shall be generated by the economic enterprise office with the assistance of BPLO, during MSMEs registration. The data generated likewise include the list of locally produced products and services offered by registered MSMEs and these shall be compiled and submitted to the Local Chief Executive, copy furnished all concerned government entities for their information and guidance.

Section 8. Monitoring and Evaluation. To keep track of the compliance of the Local Government Unit of Pinabacdao, Samar as well as the other government entities to the provisions of this ordinance and that of Magna Carta for MSMEs, those included in the MSME Registry are mandated to prepare monthly reports on products sold or services rendered to all government entities and submit these to the economic enterprise office for consolidation. The MSME consolidated monthly reports sha;; be submitted to the Local Chief Executive, copy furnish concerned government entities and the Department of Budget and Management (DBM).

Section 9. Budget Appropriation. The Local Government Unit of Pinabacdao, Samar shall appropriate in its budget or any supplemental budget that may be approved thereafter, the amount necessary to implement the provisions of this Ordinance.

CHAPTER IV. FINAL PROVISION

SECTION 10. Penal Clause. Any violation of the provision of this Ordinance including violations to all related law, rules and regulations shall be subjected to a fine of not more than two thousand five hundred pesos (2,500.00) or imprisonment of not exceeding six (6) months or both at the discretion of the court, without prejudice to administrative sanctions in case of public officials.

SECTION 11. Implementing Rules and Regulations. The Office of the Local Chief Executive thru its economic enterprise office in consultation with all concerned government entities and the private sector especially local MSMEs shall formulate the implementing rules and regulations (IRR) necessary to implement the provision of this ordinance within sixty (60) days upon the final consideration and approval of this ordinance by the Sangguniang bayan of Pinabacdao, Samar.

Section 12. Separability Clause. If for any reason, any provision of this ordinance is deemed not valid by a Court of competent jurisdiction or suspended or revoke by the Sangguniang Bayan of Pinabacdao, Samar , such judgement shall not affect or impair the remaining portion, provisions, sections or parts thereof, which shall remain to be in full force and effect.

Section 13. Repealing Clause. All local ordinances, executive orders, resolutions, memoranda, regulations, or part thereof in conflict or inconsistent with any provision of this ordinance shall be considered repealed, amended or modified accordingly.

Section 14. Effectivity. This Ordinance entitled Market Access Expansion and Promotion of Locally Produced Products and Services, otherwise known as " Buy Local Products" shall take effect immediately upon its approval, and in accordance with the provisions of the Local Government Code 1991.

Adapted during the Regular Session of the Sangguniang bayan held on December 19, 2022 at the Sangguniang Bayan Session Hall, upon the motion of the members present.

APPROVED UNANIMOUSLY.

Concurred:

HON. EDGAR M. TONELETE
Vice Mayor

HON. JOSE SANTIAGO T. QUIJANO
SB MEMBER

HON. ELISEO B. CABORNAY
SB MEMBER

HON. JOEL R. PACAYRA
SB MEMBER

HON. NESTOR C. OCENAR
SB MEMBER

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HON. ARLYN C. MABUTE
SB MEMBER

HON. ROSEMARIE T. BADENAS
SB MEMBER

HON. NINO A. RAGA
SB MEMBER

HON. REYNALDO C. TUAZON
SB MEMBER

HON. ALLEAH JOY L. SACAGUING
SK FED. PRES./ EX-OFFICIO MEMBER

HON. JOSE O. RUFUERZO
ABC PRES./ EX-OFFICIO MEMBER

I HEREBY CERTIFY as to the correctness of the above-quoted Ordinance.

MARY BERNARDETTE T. QUIJANO, LPT
Secretary to the Sangguniang Bayan

APPROVED:

HON. ENGR. TEODORICO A. MABAG
Municipal Mayor

19 DEC 2022

AN ORDINANCE MANDATING ALL THE DEPARTMENTS OF THE LOCAL GOVERNMENT UNIT OF PINABACDAO, SAMAR TO UTILIZE AT LEAST TEN PERCENT (10%) OF THEIR RESPECTIVE APPROVED ANNUAL PROCUREMENT PLANS (APP's) FOR THE PURCHASE OF LOCALLY PRODUCED PRODUCTS AND SERVICES OF MSMES AND TO ALL ALLOCATE FUNDS THEREOF FOR THE ESTABLISHMENT AND OPERATION OF ITS IMPLEMENTING MECHANISM.