

Republic of the Philippines  
Province of Iloilo  
MUNICIPALITY OF OTON  
OFFICE OF THE SANGGUNIANG BAYAN



EXCERPTS from the Minutes of the Sangguniang Bayan of Oton, Iloilo in its Regular Session held at the Municipal Session Hall of Oton, Iloilo last September 15, 2004 at 2:30 in the afternoon.

PRESENT:	Hon. Vicente B. Flores, Jr.	Vice Mayor (Presiding Officer)
	Hon. Eusebio G. Villavicencio, Jr.	SB Member (Temporary Floor Leader)
	Hon. Virginia F. Olivares	SB Member
	Hon. Francisca C. Erpeleta	SB Member
	Hon. Simplicio R. Carreon, Jr.	SB Member
ABSENT:	Hon. Edgar N. Javeliana	SB Member (ABC Representative)
	Hon. Lee C. Alison	SB Member (SK Representative)
	Hon. Jafet P. Salinas	SB Member (O.B.)
	Hon. Jose Neil P. Olivares	SB Member (Asst. Floor Leader) (O.B.)
	Hon. Felimon Gregorio M. Calvo	SB Member (Floor Leader) (O.B.)
	Hon. Pablo S. Guevara, Jr.	SB Member (O.B.)

**ORDINANCE NO. 2004 - 130**

**AN ORDINANCE AMENDING SECTION III OF ORDINANCE NO. 2004 - 124 (ADOPTING THE BUILD-OPERATE-AND TRANSFER (BOT), BUILD-LEASE-AND-TRANSFER (BLT) AND REHABILITATE-OPERATE AND TRANSFER (ROT) CONTRACTUAL ARRANGEMENT SCHEMES IN THE OTON PUBLIC MARKET AND OTHER PRIVATE SECTOR INFRASTRUCTURE OR DEVELOPMENT PROJECTS PURSUANT TO R.A. 7718.)**

**ON MOTION** of the Committee on Economic Enterprise, namely: Hon. Edgar N. Javeliana as Chairman, Hon. Simplicio R. Carreon, Jr. as Vice Chairman and Hon. Felimon Gregorio M. Calvo as Member and duly seconded by Hon. Jose Neil P. Olivares.

**BE IT ORDAINED** by the Sangguniang Bayan of Oton, Iloilo, an Ordinance, to wit:

**SECTION 1. RATIONALE** Pursuant to R.A 7160, otherwise known as the Local Government Code of 1991, the Local Government Unit (LGU) of Oton, Iloilo wishes to engage in an economic enterprise wherein it is expected to be developed as a self-reliant community thereby actively participating in the attainment of national goals. Toward this end, LGU-Oton will improve and expand the Oton Public Market and other Private Sector Infrastructure or Development Projects empowered by the following provisions:

- 1) Section 4, R.A 7160 Dual Nature of Municipal Corporations or Local Governments. Political subdivisions may be properly referred to as municipal corporations charged with dual functions, firstly, for them to act as agencies of the National Government in the discharge of public or governmental functions and secondly, for them to perform corporate or business functions not strictly political or governmental in nature.
- 2) Section 17, R.A 7160 Basic Services and Facilities. Basic services and facilities are implemented by means of local ordinances, in some cases following certain legal guidelines or national policies.  
Economic enterprises owned by LGUs in their proprietary capacity may be sold, leased, encumbered or otherwise disposed of by local ordinances passed by local legislature concerned.
- 3) Section 18, R.A 7160 Power to Generate and Apply Resources. The revenue raising power of local governments include not only the taxing power of LGU's and shares in national taxes including mineral taxes or impositions but also acquisition, development, leasing, encumbrance, alienation or disposition of real property or personal property held by LGU's in their proprietary capacity, which acts may also be considered as revenue making (for productive, developmental and welfare purposes).
- 4) **R.A 7718** - An Act Amending Certain Sections of Republic Act No. 6957, Entitled "An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and For Other Purposes."

**SECTION 2. DEFINITION OF TERMS**

- 1) **Build-Lease-and -Transfer (BLT)** -A contractual arrangement whereby a project proponent is authorized to finance and construct an infrastructure or development facility and upon its completion turns it over to the government agency or local government unit concerned on a lease arrangement for a fixed period after which ownership of the facility is automatically transferred to the government agency or local government unit concerned.
- 2) **Build-Operate- and- Transfer (BOT)** -A contractual arrangement whereby the project proponent undertakes the construction, including financing, of a given infrastructure facility, and the operation and maintenance thereof. The project proponent operates the facility over a fixed term during which it is allowed to charge facility users appropriate tolls, fees, rentals, and charges not exceeding those proposed in its bid or as negotiated and incorporated in the contract to enable the project proponent to recover its investment, and operating and maintenance expenses in the project.
- 3) **Rehabilitate-Operate-and-Transfer (ROT)** -A contractual arrangement whereby an existing facility is turned over to the private sector to refurbish, operate and maintain for a franchise period, at the expiry of which the facility is turned over to the government. The term is also used to describe the purchase of an existing facility from abroad, importing, refurbishing, erecting and consuming it within the host country.

- 4) **Private Sector Infrastructure or Development Projects**- the general description of infrastructure or development projects normally financed and operated by the public sector but which will now be wholly or partly implemented by the private sector, including but not limited to-power plants, highways...public markets, slaughter houses etc.
- 5) **Committee**-refers to the Committee on Economic Enterprise
- 6) **Council**-refers to the Municipal Development Council (MDC)
- 7) **Facility**-refers to the BLT, BOT & ROT facility
- 8) **Facility-in-Charge (FIC)** -refers to the person responsible for monitoring and supervising all aspects of operations of the BLT, BOT and ROT infrastructure or development facility; the repair and maintenance of said facility is the responsibility of the Municipal Engineering Office and other concerned departments.
- 9) **Coverage**-area covered by the facility, its boundaries, limitations.

**SECTION 3.**

**GUIDELINES** Section 1.2 of the IRR of R.A 7718 states that "for purely Local Government Unit projects, concerned LGU's may formulate their own guidelines / procedures in line with the law and these Implementing Rules and Regulations." Upon approval of this ordinance the Facilitator-in-Charge shall initiate the compliance of the following requirements immediately.

- 1) Recommend to the Municipal Mayor the vendors who wish to be party to any contractual arrangement mentioned above.
- 2) The Municipal Mayor shall formalize agreement by contract with the vendors who are project proponents before the LGU – Oton undertakes to start the project "Improvement / Expansion of the Oton Public Market and other Private Sector Infrastructure and Development Projects";
- 3) Include said project in the list of priority projects pursuant to Section 2.3 of R.A 6957 as amended by R.A 7718
- 4) Submit list of priority projects to the Committee and the Council (MDC) for approval under Section 2.7(a) of the IRR of R.A 6957 as amended by R.A 7718.
- 5) The Committee and the Council shall act on the lists of projects within 30 days upon satisfactory compliance of the guidelines. Failure to act on the lists shall mean that the LGU concerned shall proceed with the project, i.e., deemed approved.
- 6) Pursuant to Section 9, R. A. 7718, the construction / rehabilitation / improvement of stalls in the public market and its expansion shall be in conformity with the Comprehensive Plan of LGU-Oton.
- 7) The implementation of the abovementioned guidelines shall be the responsibility of the Facility-In-Charge who shall be appointed or designated by the Mayor.

**SECTION 4.**

**PENALTY**

Violation of this Ordinance shall merit the penalty as stipulated in the contracts of the contractual arrangements identified herein.

**SECTION 5.**

**REPEALING CLAUSE** All Ordinances and Resolutions or any parts thereof inconsistent with the provisions of this law are hereby repealed or modified accordingly.

**SECTION 6.**

**SEPARABILITY CLAUSE** If any provision of this Ordinance is held invalid, the other provisions not affected thereby shall continue in operation.

**SECTION 7.**

**EFFECTIVITY.** This Ordinance shall take effect upon approval.

**SECTION 8.**

**COPIES.** This Ordinance shall be furnished to the Office of the Mayor, MTO, MEO, GSO, MPDO, and the Sangguniang Panlalawigan for information and guidance.

UNANIMOUSLY APPROVED.

I HEREBY CERTIFY to the correctness of the foregoing Ordinance.

Attested:

VICENTE B. FLORES, JR.  
Vice Mayor

Concurred:

NICOLAS C. DAMASCO  
Secretary to the Sanggunian  
EUSEBIO G. VILLAVICENCIO, JR.  
Temporary Floor Leader

Approved:

ATTY. CARINA V. FLORES  
Municipal Mayor

Date Approved:

SEP 21 2004

Date Posted:

21 SEP 2004

/jod/

MTC - *Joseph M. Bernardino*  
MTC - *Interpretor*  
MTO - *off*  
MPDO - *off* 9/21/04

MEO - *off*  
GSO - *Interpretor*