



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE FIFTH
SANGGUNIANG PANLUNGSOD NG ORMOG HELD AT THE HONORABLE
PLACIDO ENECIO SESSION HALL, SANGGUNIANG PANLUNGSOD
BUILDING ON MARCH 21, 1991

[illegible]

None.

A RESOLUTION AUTHORIZING THE HONORABLE CITY MAYOR TO SIGN, FOR AND IN BEHALF OF THE CITY GOVERNMENT OF ORMOC, AMENDMENTS TO THE CONTRACT ENTERED INTO WITH FAR EAST CORPORATION SPECIFICALLY ON ARCHITECTURAL DESIGN AND ESTIMATES AND ON CONSTRUCTION SUPERVISION SERVICES OF THE PROPOSED ORMOC CITY MULTI-PURPOSE GYMNASIUM-AUDITORIUM, TO INCLUDE THE FOLLOWING IMPORTANT PROVISIONS AS REQUIRED BY COA, (A) TO STIPULATE IN THE BASIC CONTRACT THAT IN THE EVENT THAT THE PROJECT FOR WHICH THE PLAN IS TO BE DRAWN WILL NOT BE EXECUTED, THE AMOUNT CORRESPONDING TO THE INHERENT LEGAL RESPONSIBILITY OF ARCHITECTS UNDER ARTICLE 1723 OF THE CIVIL CODE SHALL BE DEDUCTED FROM THE ARCHITECT'S FEE AGREED UPON PURSUANT TO COA CIRCULAR NO. 77-67 DATED 2 DECEMBER 1977, AND B) THE CONSIDERATION IN THE CONSTRUCTION SUPERVISION SERVICES FEE IS FIXED AT .3% (P114,305.78) OF THE ESTIMATED COST OF THE PRELIMINARY DESIGN WHICH IS P38,168,519.50, (IN CONSONANCE WITH COA CIRCULAR NO. 82-191 DATED 5 JULY 1982.).

WHEREAS, P770,353.19 out of the amount of P944,203.19 as appearing in Disbursement Voucher No. 7313 dated 24 October 1990 has been disallowed in audit and "the reason for the disallowance is the increase in the contract amount for architectural design services from P525,000.00 (representing 3.5% of the "estimated construction cost" of the proposed Multi-Purpose Gymnasium-Auditorium which is P15M) to P1,335,898.10 (representing 3.5% of the "adjusted construction cost" of the subject project which is P38,168,596.90) allegedly for want of legal basis", and, "it is the view of COA-Ormoc that the amount of P15M should be made as the basis considering that the bidding was based thereon as can be gleaned in the Abstract of Quotations duly certified correct by the Chairman and Members of PBAC and witnessed by the former City Auditor of Ormoc";

(RES. NO. 27, S. 1991)

WHEREAS, "on the other hand, the City Mayor of Ormoc has justified that their target was really to build an 8,000 capacity Multi-Purpose Gymnasium and that the amount of P15M was only their initial estimated cost of the project", which justification in writing can be obtained in the 5th Indorsement (letter) dated 14 December 1990 of Honorable N. P. Aparis I, Acting City Mayor vice Her Honor, the City Mayor of Ormoc, the latter being Out-of-Town on Official Business, and, "that the City Government believes that it is to the best advantage of the City that an 8,000 capacity gymnasium is (to be) build rather than a 1,799 capacity building, despite the increase in the estimated cost, etcetera";

WHEREAS, some dispositive portions as appearing in the 7th Indorsement on March 1, 1991 of Director B. D. Agawa, COA Regional Office, Palo, Leyte, has stated, thus, "the chief or head of the government agency concerned is vested with the prerogative to manage and decide the organizational and operational activities of his agency subject, X X X, to the declared state policy on public fund expenditures. X X X, it can be aptly said therefore that the City Mayor of Ormoc can validly decide on the kind, nature and magnitude of the project to be undertaken, the same being a management prerogative. X X X X X. Premises considered, this Office is of the view that the contract amount of P1,335,898.10 for the preparation of architectural design and estimates may be allowed in audit, subject to the following conditions", one stated below, the remaining two conditions being reflected in the caption of this resolution, thus, (requirement) No. 1) Submission of a clearance on a no-objection basis by NEDA pursuant to COA Circular No. 87-27 dated 27 March 1987;

NOW, THEREFORE, on motion of Kagawad Gregorio A. Yrastorza, Jr., Chairman, Committee on Infrastructures, jointly seconded by mga Kagawad Sixto T. Pongos and Arnulfo C. Salazar; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to authorize the Honorable City Mayor to sign, for and in behalf of the City Government of Ormoc, on amendments to the contract entered into with the Far East Corporation specifically on Architectural Design and Estimates and on Construction Supervision Services of the proposed Ormoc City Multi-Purpose Gymnasium Auditorium, to include the following important conditions as required by COA: a) to stipulate in the basic contract that in the event that the project for which the plan is to be drawn will not be executed, the amount corresponding to the inherent legal responsibility of architects under Article 1723 of the Civil Code shall be deducted from the architect's fee agreed upon pursuant to COA Circular No. 77-67 dated 2 December 1977, and b) the consideration in the construction supervision services fee is fixed at .3% (P144,505.78) of the estimated cost of the preliminary design which is P38,168,519.50, (in consonance with COA Circular No. 82-191 dated 5 July 1982.);

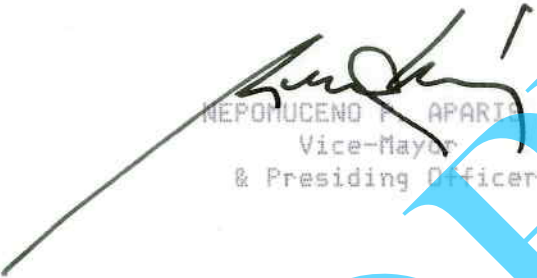
ENACTED, March 21, 1991.

RESOLVED, FURTHER, to furnish copies of this resolution each to Her Honor, the City Mayor, Ormoc City; the Far East Corporation through its Corporate Secretary, Rm 508, Campos Rueda Bldg., 101 Tindalo St., Makati, Manila; the COA Regional Director - Regional Office, Palo, Leyte; the City Treasurer, the City Budget Officer, the City Auditor and the City Engineer, - all in Ormoc City;

CARRIED UNANIMOUSLY.

(RES. NO. 27, S. 1991)

I HEREBY CERTIFY to the correctness of the foregoing resolution.


NEPOMUCENO P. APARTIO
Vice-Mayor
& Presiding Officer

ATTESTED:


OSCAR LASAM
City Secretary

APPROVED:


MARIA VICTORIA L. LOCSIN
City Mayor

ATTESTED AS APPROVED:


OSCAR LASAM
City Secretary

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