

REPUBLIKA NG PILIPINAS  
SANGGUNIANG PANLUNGSOD  
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE  
FOURTEENTH SANGGUNIANG PANLUNGSOD NG ORMOC HELD  
AT THE SANGGUNIANG PANLUNGSOD SESSION HALL,  
ORMOC CITY HALL BUILDING  
ON SEPTEMBER 01, 2016

PRESENT:

Leo Carmelo L. Locsin, Jr.	Vice Mayor & Presiding Officer
Rolando M. Villasencio,	SP Member, Majority Floor Leader
Vincent L. Rama,	SP Member, Asst. Majority Floor Leader
Mario M. Rodriguez	SP Member, Presiding Officer "Pro-Tempore"
Tomas R. Serafica,	SP Member
Benjamin S. Pongos, Jr.,	SP Member
Eusebio Gerardo S. Penserga,	SP Member
Gregorio G. Yrastorza III	SP Member
Nolito M. Quilang	SP Member
John Eulalio Nepomuceno O. Aparis II,	SP Member
	Minority Floor Leader
Lea Doris C. Villar	SP Member, Asst. Minority Floor Leader
Mariano Y. Corro,	Ex-Officio SP Member
	Chapter President, Liga ng mga Barangay ng Ormoc

RESOLUTION NO. 2016-048

A RESOLUTION GRANTING AUTHORITY TO UTILIZE THE  
UNEXPENDED BALANCES FOR CY 2011 CAPITAL OUTLAY  
FOR THE CITY SUPERDOME IN SUPPORT OF THE  
SUBMITTED APPROPRIATION ORDINANCE NO. 2011-001.

WHEREAS, this Sanggunian was in receipt of a 1<sup>st</sup> Indorsement dated July 25, 2016 from the Office of City Mayor Richard I. Gomez, relative to a letter request by Mr. Simon Albino O. Racaza, City Government Assistant Department Head I, Ormoc City Superdome, for Sanggunian Panlungsod authorization to utilize the unexpended balances for CY 2011 Capital Outlay appropriation for Motor Vehicle amounting to PHP800,000.00, in support to the submitted Appropriation Ordinance No. 2011-001 (enacted on December 2, 2010) as per Department of Interior and Local Government (DILG) Memorandum Circular (MC) No. 2014-055;

WHEREAS, said DILG MC provides that no government funds shall be utilized for the purchase of motor vehicles except when motor vehicles will be used for purposes such as those which are directly necessary in the business operations or government transactions of front-line agencies;

WHEREAS, as stated in the same DILG MC, strict compliance with budgetary, procurement and auditing laws, regulations and standards shall be observed and within thirty (30) days from the completion of the procurement process, a written report on the acquisition by Local Government Units (LGUs) shall be submitted to the DILG;

WHEREAS, LGUs shall seek the approval of the Secretary of Interior and Local Government (SILG) for the acquisition of motor vehicles such as an Asian Utility Vehicle (AUV) with an engine displacement not exceeding 2000cc, if gasoline-fed or 2500cc if diesel-fed, regardless of the source of funds;

WHEREAS, the said DILG MC provides for the documentary and procedural requirements in the issuance of authority to purchase motor vehicles;



WHEREAS, the Ormoc City Superdome Management, through Mr. Simon Albino O. Racaza, had requested a service vehicle on July 13, 2015 to former City Mayor Edward Codilla to be used for official business or operations in relation to the office and for transporting employees to their respective residences after working official late hour duty for safety reasons and said vehicles was specifically for a diesel-fed 2500cc engine displacement;

WHEREAS, at the time of the request, Mr. Racaza misconstrued that the purchase of said vehicle would not need DILG authority but rather only authority from the City Mayor Edward Codilla, which he was able to obtain, in order to purchase as in his opinion it would classify as a vehicle for mass transport and thus would fall under the Section 3.1.5 of DILG Memorandum Circular No. 2014 – 155 (requiring only City Mayor approval) and not under 3.3.3 of said DILG MC (which requires DILG approval);

WHEREAS, for purposes of brevity and clarity, a chronology of the events leading to herein request for this Sanggunian's authorization is as follows:

13 July 2015 – Mr. Simon Albino Racaza wrote a *letter of request* for a service vehicle to the City Mayor

22 July 2015 – CAO Head Ms. Sabrina Duero issued *Certificate of Availability of Funds* in the amount of P780,000.00 sourced from CY2011 Capital Outlay for motor vehicle

23 July 2015 – *PR approved*

09 November 2015 – Notice of award issued to Fast World Autoworld Phils. (Mitsubishi Ormoc)


09 December 2015 – *Contract agreement* between the City of Ormoc and Fast Autoworld Phils. executed and notarized

01 February 2016 – *Vehicle delivered* and Acknowledge receipt by CGSO and the City Superdome

30 March 2016 -- Letter request of former Mayor Edward C. Codilla with supporting documents to DILG Secretary Mel Sarmiento seeking a '*Department Authority to Purchase*' one service vehicle for the Ormoc City Superdome.

18 April 2016 – 30 May 2016 – series of communications and endorsements up and down the Legal Structure of the DILG culminating with the response of Director Manuel Q. Gotis of the DILG central office forwarded to Former City Mayor Edward C Codilla through DILG City Director Lucia Ong indicating the need for '*the immediate submission of an SP resolution authorizing the utilization of the unexpended balance of CY2011 Capital Outlay appropriation in support to the submitted Appropriation Ordinance No. 2011-001.*'

It should be noted that the first answer of Director Gotis to Region 8 Director Noval with copy furnished to Mayor Codilla dated April 25, 2016 clearly stated the requirement of an SP authorization but the Letter response of Mayor Codilla submitted along with the documentary requirements dated May 10, 2016 did not include the SP authorization.





11 May 2016 – City Accountant Ms. Hilda H. Lisondra and City Budget Officer Ms. Sabrina Duero issued 'Certification that the City Superdome has an existing unexpended continuing appropriation for motor vehicle amounting to P800,000.00 as of November 2015 as authorized by the SP through Appropriation Ordinance No. 2011-001'.

08 July 2016 – Letter of Mr. Simon Albino O. Racaza of the City Superdome to Ms. Hilda H. Lisondra, Ormoc City Accountant, 'requesting for the release of payment for the purchase of one unit Asian Utility Vehicle for the Ormoc City Superdome Office for Fast AutoWorldPhils Corporation, referring to DILG Memorandum Circular No. 2014-155, Section 3.1.5.'

15 July 2016 – Letter response of City Accountant Ms. Hilda H. Lisondra to Mr. Simon Albino O. Racaza of the City Superdome firmly stating her opinion that she was not in the proper position to give outright approval on the release of payment for the said acquisition, absent clearance from the proper department providing an 'authority to purchase and completion of the proper documentary requirements' again citing the need for approval from the DILG as the requested vehicle falls under Section #.3.3.3 of DILG Memorandum Circular No. 2014-155. She has substantiated this position by citing Section 4 of DILG Memorandum Circular No. 2015-52 dated May 11, 2015, which amends Section 4 of DILG Memorandum Circular No. 2014-155 which clearly states, "all DILG Regional Directors are directed to make the initial determination and review on whether the requesting LGU has submitted all the documentary requirements, inform the concerned LGU of any lacking documentary requirements, and ensure that all documentary requirements are complete upon endorsement to the Central Office;"

WHEREAS, the Superdome Management has already acquired one (1) unit Asian Utility Vehicle (AUV) with engine displacement of 2.5 liter 4 cylinder diesel-fed and absent the necessary authority to purchase the said motor vehicle from the DILG, the City Accountant cannot release the funds for its payment;

WHEREAS, for its part, the DILG will not issue the authority to purchase the said vehicle unless, as one of its requirements, this Sanggunian's authorization is obtained through the passage of the proper resolution;

WHEREAS, this Sanggunian concludes that with the situation where the motor vehicle is already being delivered to the City Government, which had been using it for the purposes intended for some time, but the supplier of the same remaining unpaid, is clearly unfair to the latter, and after considering further that that the entire situation was brought about not by deliberate misinterpretation of the law but thru inadvertent action by the responsible officers, the subject request for authorization deserves merit and favorable action by this august Body;

WHEREFORE, foregoing premises and all other supporting bases considered, on motion of SP Member Mario M. Rodriguez, Chairman, Committee on Finance and Appropriation, severally seconded by SP Members Vincent L. Rama, Tomas R. Serafica, Benjamin S. Pongos, Jr., Gregorio G. Yrastorza, III, Nolito M. Quilang, John Eulalio Nepomuceno O. Aparis II, Lea Doris C. Villar and Mariano Y. Corro; be it

Res. No. 2016-048

RESOLVED, AS IT IS HEREBY RESOLVED, to pass A RESOLUTION GRANTING AUTHORITY TO UTILIZE THE UNEXPENDED BALANCES FOR CY 2011 CAPITAL OUTLAY FOR THE CITY SUPERDOME IN SUPPORT OF THE SUBMITTED APPROPRIATION ORDINANCE NO. 2011-001;

ADOPTED, September 01, 2016.

RESOLVED FURTHER, to furnish copies of this Resolution to the City Mayor, Richard I. Gomez; the City Administrator, Mr. Vincent L. Emnas; the City Legal Officer, Fiscal Marcelo C. Onate; the City Treasurer, Ms. Delia Vilbar; the City Budget Officer, Ms. Sabrina P. Duero, the City Accountant, Ms. Hilda H. Lisondra; the City Auditor; the OIC-City Director, DILG; the City Government Assistant Department Head I, Ormoc City Superdome; and all other offices concerned.

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.

  
MARIA ANTONIETA G. CO HAT  
(Acting SP Secretary)  
Supervising Administrative Officer

ATTESTED:

  
LEO CARMELO L. LOCSIN, JR.  
Vice Mayor & Presiding Officer