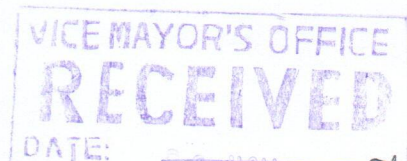


REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE
FIFTEENTH SANGGUNIANG PANLUNGSOD NG ORMOC HELD
AT THE SANGGUNIANG PANLUNGSOD SESSION HALL
ON NOVEMBER 19, 2019

PRESENT:

Leo Carmelo L. Locsin, Jr.	City Vice Mayor & Presiding Officer
Benjamin S. Pongos, Jr.,	SP Member, Majority Floor Leader
Roiland H. Villasencio,	SP Member, 1 st Asst. Majority Floor Leader
Nolito M. Quilang,	SP Member, 2 nd Asst. Majority Floor Leader
Eusebio Gerardo S. Penserga,	SP Member
Jasper M. Lucero,	SP Member
Peter M. Rodriguez,	SP Member
Vincent L. Rama,	SP Member
Gregorio G. Yrastorza III,	SP Member
Lalaine A. Marcos,	SP Member
Esteban V. Laurente,	Ex-Officio SP Member, Chapter President, Liga ng mga Barangay ng Ormoc
Joan Marbie C. Simbajon,	Ex-Officio SP Member, Chapter President, Panlungsod na Pederasyon ng mga Sangguniang Kabataan ng Ormoc

ON LEAVE:

Tomas R. Serafica,	SP Member, Presiding Officer "Pro-Tempore"
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RESOLUTION NO. 2019-136

**A RESOLUTION AVAILING OF THE DESIGN,
FINANCING, CONSTRUCTION, OPERATIONS AND
MAINTENANCE OF A COMPREHENSIVE WATER
SUPPLY SYSTEM FOR ORMOC CITY THROUGH THE
PROJECT DEVELOPMENT MONITORING FACILITY
(PDMF) OF THE PUBLIC PRIVATE PARTNERSHIP
(PPP) CENTER WHICH SHALL BE PURSUED IN A
SOLICITED PROPOSAL.**

WHEREAS, this Body is in receipt of two (2) Endorsements from the City Mayor's Office dated October 28, 2019 and November 18, 2019, both requesting the issuance of a Resolution providing as to which project scope the LGU Ormoc will be selecting relative to the Water Supply Project;

WHEREAS, it can be recalled that the proposed Lake Danao Water System Project intends to rehabilitate the existing water system and construct and introduce intake facilities, water treatment plants/facilities, water storage tanks, transmission and distribution pipelines, service connections, fire hydrants and other appurtenances. The project, a comprehensive water infrastructure modernization program, will result in the capacity of LGU Ormoc to process and distribute sanitized potable water for general household and commercial use;

WHEREAS, the proposed project required substantial funding;

WHEREAS, Section 20, Article II of the 1987 Constitution provides that the "State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments". Similarly, the 1991 Local Government Code also acknowledges the indispensable role of the private sector in national and local governance by authorizing the local governments to partner with the private sector in pursuing infrastructure and development projects for the benefit of the people.

WHEREAS, the LGU Ormoc is crafting its own PPP Code in accordance with Department of Justice (DOJ) Opinion No. 18, S. 2012, that states that "xxx local governments may enact their own Public-Private Partnership (PPP) Code or omnibus ordinance outlining, among others, all applicable modalities. xxx A local government, through an enabling ordinance, is free to act to address local concerns, even without an enabling ordinance, provided no statute will be infringed";

WHEREAS, the proposed PPP Code is consistent with Department of the Interior and Local Government (DILG) Legal Opinion No. 8, S. 2014, which declared that "there is no specific statute on PPP nor guidelines on joint ventures for local governments" and that a "duly enacted local legislation (PPP Code) must be complied with in undertaking (its) PPP projects." In addition, DILG Legal Opinion No. 10, S. 2014 has affirmed the above-cited DOJ Opinion and emphasized that, "the LGU's discretion xxx is consistent with the state policy of local autonomy and is in line with the operative principle of decentralization and the national goal of propelling social and economic growth and development through the active participation of the private sector";

WHEREAS, in Resolution No. 2019- 048, this Body granted the City Mayor the authority to execute a Memorandum of Agreement with the Public- Private Partnership (PPP) Center relative to the collaboration with the latter on potential PPP projects for Ormoc City;

WHEREAS, the City is in receipt of a Business Case Study on the Lake Danao Water Project which was funded through the Philippine Water Supply and Sanitation Master Plan, which study recommended that the program be considered for further downstream financing through the NEDA for feasibility study support or through the Korea International Cooperation Agency or through the National Disaster Risk Reduction and Management Fund;

WHEREAS, all three resources have already been fully programmed resulting in the LGU submitting an application for support under the Project Development and Monitoring Facility (PDMF) of the PPP Center, as per Resolution No. 2019- 117 dated October 29, 2019, that gave the City Mayor the authority to represent the City in its application for PDMF relative to project preparation and transaction advisory services for the implementation of projects;

WHEREAS, on October 24, 2019, the PPP released a report indicating therein, among others, the Proposed Project Concept that provided for the approaches to the program, thus: Approach 1 for the Design, Finance, Construct, Operations and Maintenance of a Bulk Water Supply Project; and Approach 2 for the Design, Finance, Construct, Operations and Maintenance of a Comprehensive Water Supply System for the entire City;

WHEREAS, Approach 1 explains further: "Considering the target of the City Government of reaching contract award by 2020, the City may choose to implement a PPP project taking off from the proposal under the EDCOP study. This proposed PPP Project will cover the design, financing, construction, operations and maintenance of a bulk water supply project. Thereafter, it will provide bulk water supply to ORWASA which will continue the operations of the distribution of water in the City. This approach will require relatively less time in undertaking the project study because the City Government may heavily rely on the 2018 EDCOP Study. This way forward will address the objective of augmenting the current water supply in the City and will allow the city to be able to deliver 24/7 water service in all its service areas; however, the implementation of a bulk water supply project will not be able to provide a Level III water system to the entire city";

WHEREAS, Approach 2 provides, "Under this scope, the Private Sector Operator will design, finance, construct, operate and maintain a comprehensive water supply system which will include: (1) sourcing of bulk water supply from Lake Danao and other possible sources, (2) upgrading of the 28 service areas with Level II systems to Level III system, (3) operation of the whole water supply system. This proposed project may require more time to implement since it will require expansion of certain technical and financial components of the 2018 EDCOP Study. The City Government, through ORWASA, will primarily serve as overall contract management and regulatory functions";

WHEREAS, in a Resolution dated November 15, 2019, the Technical Working Group for Public- Private Partnerships created under Executive Order No. 48 dated September 9, 2019, recommending that the LGU Ormoc avail of the design, financing, construction, operations and maintenance of a comprehensive water supply system for Ormoc City;

WHEREAS, a meticulous examination of both approaches indicate that the second (2nd) approach provides a more detailed and careful methodology to the project and give the City Government clearer parameters as to the practicality of its Water Supply project;

WHEREAS, in order to implement the chosen approach, a feasibility study for the identified project is required making a solicited proposal significantly applicable for the City to be able to select its partner based on transparent criteria in accordance with the project study;

WHEREAS, this Sanggunian, after thorough examination of the aforementioned request by the City Mayor, finds that the same is necessary and desirable to advance the general welfare and promote the interest of the City's inhabitants, particularly in the provision of a reliable water system and is therefore extremely favorable and advantageous, and thus, is most deserving of this august Body's prompt and favorable consideration;

WHEREFORE, on motion of SP Member Benjamin S. Pongos, Jr., Chairman, Committee on Laws & Ordinances, severally seconded by SP Members Roiland H. Villasencio, Vincent L. Rama, Gregorio G. Yrastorza III, Peter M. Rodriguez, Lalaine A. Marcos, Esteban V. Laurente and Joan Marbie C. Simbajon;

RESOLVED, AS IT IS HEREBY RESOLVED, to pass A RESOLUTION AVAILING OF THE DESIGN, FINANCING, CONSTRUCTION, OPERATIONS AND MAINTENANCE OF A COMPREHENSIVE WATER SUPPLY SYSTEM FOR ORMOC CITY THROUGH THE PROJECT DEVELOPMENT MONITORING FACILITY (PDMF) OF THE PUBLIC PRIVATE PARTNERSHIP (PPP) CENTER WHICH SHALL BE PURSUED IN A SOLICITED PROPOSAL;

ADOPTED, November 19, 2019.

RESOLVED, FURTHER, to furnish copies of this resolution each to the City Mayor of Ormoc Richard I. Gomez, the City Administrator, Mr. Vincent L. Emnas; the City Legal Officer, Atty. Josephine A. Mejia- Romero; the City Budget Officer; the OIC-City Treasurer; the City Accountant; the City Auditor; the City Engineer; the City General Services Office; the ORWASA; the City Planning and Development Officer; the City Local Government Operations Officer-DILG; and all other offices concerned.

CARRIED UNANIMOUSLY.

Res. No. 2019-136

I HEREBY CERTIFY to the correctness of the above resolution.


MARIA ANTONIETA G. CO HAT
Secretary to the
Sangguniang Panglungsod

ATTESTED:


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