



OFFICE OF THE SANGGUNIANG BAYAN

EXCERPTS FROM THE MINUTES OF THE 45TH REGULAR SESSION OF THE 15TH SANGGUNIANG BAYAN OF LOON, PROVINCE OF BOHOL HELD ON THE 30TH DAY OF MAY 2023 AT JUAN M. RELAMPAGOS SESSION HALL, LOON, BOHOL -

PRESENT:

Hon. Lloyd Peter M. Lopez, M.D.	Vice Mayor, Presiding Officer
Hon. Ana Lisa O. Go	SB Member
Hon. Emerson S. Relampagos	SB Member
Hon. Pedro M. Literatus, Jr.	SB Member
Hon. Willou C. Tan	SB Member
Hon. Timoteo L. Legitimas	SB Member
Hon. Marie Hazel R. Saavedra	SB Member
Hon. Jeanette M. Vidal	SB Member
Hon. Judy Marie H. Veloso	SB Member
Hon. Emalinda A. Veloso	LnB President, Ex-Officio Member

SICK LEAVE:

Hon. April Joseph L. Corciega	SKMF President, Ex-Officio Member
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MUNICIPAL ORDINANCE NO. 23-006
Series of 2023

THE MICRO, SMALL, MEDIUM ENTERPRISES ORDINANCE OF LOON, BOHOL

RATIONALE

This ordinance is formulated pursuant to 2040 Philippine Vision for a prosperous and wealthy society which covers the 2023-2028 economic and social transformation for a resilient society.

In support thereto Article II, Section 20 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.

To this effect Republic Act No. 9501 or the Magna Carta for Micro, Small and Medium Enterprises (MSMEs) recognizes that MSMEs have the potential for more employment generation and economic growth and therefore can help provide a self-sufficient industrial foundation for the country, and thus declared the policy of the State to promote, support, strengthen and encourage the growth and development of MSMEs in all productive sectors of the economy particularly rural / agri-based enterprises.

Section 4 hereof provides that eligible MSMEs shall be entitled to a share of at least ten percent (10%) of total procurement value of goods and services supplied to the Government, its bureaus, offices and agencies annually to qualify under this Ordinance, the requirements set forth in Section 4 of Republic Act No. 9501 or the Magna Carta for MSMEs are hereby adopted.

The Municipality of Loon has approximately 1,978 Micro, Small and Medium Enterprises (MSMEs) that are manufacturing/processing, making up at least 97% of the total number of registered businesses of this municipality as of 2022 per record from the Business Processing and Licensing Office (BPLO).

The LGU assumes its legal and moral obligation to recognize the specific needs of the MSMEs and shall undertake to promote entrepreneurship, support entrepreneurs, encourage the establishments of MSMEs and ensure their continuing viability and growth and thereby attain countryside industrialization.

HON. ANA LISA O. GO

Chairman, Committee on Livelihood and Barangay
Micro – Business Enterprises (BMBE's)

Be it enacted by the 15th Sangguniang Bayan of Loon, Bohol in session duly assembled:

SECTION 1. SHORT TITLE. This Ordinance shall be known as the “Mandatory Promotion And Procurement of Locally-Produced Goods and Services”.

SECTION 2. DEFINITION OF TERMS. As used in this Ordinance, the following terms shall mean:

- 1) **Government Entities** – refer to all government institutions holding offices and/or implementing Programs, Projects and Activities (PPAs) within the locality, be it local, national, state universities and colleges, Government-Owned and Consolled Corporations and Government Financial institutions
- 2) **Locally-produced goods and services** – These are food and non-food products and services made/provided in the municipality
- 3) **Micro Enterprises** – with the total asset not exceeding P3,000,000 Million
- 4) **Small Enterprises** – with the total asset P3,000,001 Million not exceeding P15,000,000 Million
- 5) **Medium Enterprises** – with the total asset P15,000,001 Million not exceeding P100,000,000 Million
- 6) **MSME** – Micro, Small and Medium Enterprise, including cooperatives, rural improvement clubs, associations and existing businesses without registrations, with a capitalization not exceeding Php100 Million; has an existing product, food or non-food, or has commenced operation but is in the process of developing its product
- 7) **Pasalubong Centers** – Municipal Government of Loon - administered outlets where MSMEs may display/sell their products
- 8) **BPLO** – Business Permit and Licensing Office
- 9) **GSO** – General Services Office

10) **Rural/agri-based Enterprises** — businesses that are engaging in:

- (i) agricultural production; and/or
- (ii) processing agricultural produce/raw materials into finished goods;

11) **Tourism-related Establishments** — establishments offering services in support to tourism such as hotels, restaurants, shops, museums, training centers, homestays, sports and recreational clubs, among others.

SECTION 3. STATEMENT OF POLICY. The Municipal Government believes that the role of MSMEs is vital in the prosperity of the Municipality of Loon. At least 10% of the business as duly registered shall comprise of the processing/manufacturing/service sectors, and they contribute much to the resources of the Municipality of Loon. With reference to this data, the Municipal Government deems it necessary to develop a vibrant MSME sector by improving their access to market within 5 years from effectivity of this Ordinance.

SECTION 4. PROGRAM GUIDELINES. The various programs, projects and activities to be implemented by virtue of this Ordinance shall be guided by the following principles:

- (a) In every purchase of goods and services by the Municipal Government, NGAs, RLAS and other government agencies holding offices in Loon, consideration must first be made whether or not there are local counterparts of these products/services deemed to be purchased.
- (b) All tokens to be given in all activities of the Municipal Government, NGAs, RLAS and other government agencies holding offices in Loon must be locally-produced goods and/or services.
- (c) At least eighty percent (80%) of the goods displayed in Loon Pasalubong Centers must be locally-produced.
- (d) At least ten percent (10%) of total annual procurement value of goods and services supplied to the Municipal Government, NGAs, RLAs and other government agencies holding offices in Loon must be solely devoted to locally-produced goods and services except otherwise unavailable.

SECTION 5. COVERAGE AND ELIGIBILITY FOR ASSISTANCE. To qualify under this Ordinance, businesses must be:

- (a) Resident of Loon whose business capitalization does not exceed 100 Million Pesos;
- (b) All manufacturing, processing, and/or production of agricultural produce and provision of services which are duly registered with the appropriate agencies as presently provided by law (DTI, SEC, CDA or DOLE) and have the requisite Mayor's permit, including other statutory registrations;
- (c) One hundred percent (100%) owned, capitalized by Filipino citizens, whether single proprietorship or partnership or cooperative. If the enterprise is a juridical entity, at least sixty percent (60%) of its capital or outstanding stock must be owned by a Filipino citizens residing in; and
- (d) A business activity within the major sectors of the economy, namely; industry, trade, services, including the operation of tourism-related establishments, and rural/agri-based enterprises.

SECTION 6. MICRO, SMALL, AND MEDIUM ENTERPRISES (MSME) REGISTRY. Within three (3) months after the effectivity of this Ordinance, the Business Permit and Licensing Office (BPLO) shall submit to the Municipal Mayor and the Sangguniang Bayan a complete list of all MSMEs eligible to avail the benefits of this Ordinance.

The list shall be known as the “MSME Registry” and shall serve as the basis of the procurement of locally-produced goods and services.

The MSME Registry shall be posted in the official website and other social media account of the Municipality of Loon and shall be subject to validation by the Office of the Municipal Mayor and maintenance of the LGU IT Department, in coordination with the Department of Trade and Industry and various CSOs in the Municipality of Loon within 3 months from posting thereof. The registry shall be subject to periodic updating once every two (2) years following the effectivity of this Ordinance.

SECTION 7. PRIORITY ACTIVITIES. The Procurement and Marketing Plan shall give priority to the following activities for implementation:

1. Micro financing project including the availment of collateral-free financing Agreements subject to the availability of funds;
2. Intensive product development of existing products to conform with the requirements of the market and of pertinent laws;
3. Upgrading of skills of workers/crafters of existing products;
4. Provision of financial literacy and entrepreneurship trainings and seminars to MSMEs, including continuous mentoring/coaching and provisions of consultancy services;
5. Mandatory promotion, use and consumption of locally-made food and non-food products during official activities of the municipal government, NGAs, RLAs and other government agencies holding offices in the municipality;
6. Development of MSMEs to act as consolidators of locally-produced goods and services to help facilities marketing of these products;
7. Establishment of more Pasalubong Centers or Market outlets for MSMEs to display/ sell their products at Government Commercial Facilities.

SECTION 8. PRIMARY IMPLEMENTING OFFICES. The Business Process and Licensing Office (BPLO) General Services Office (GSO) must ensure that the provisions of this Ordinance are strictly observed. They are hereby tasked to be the Primary Implementing Offices with respect to the procurement as embodied in this Ordinance.

As such, the Primary Implementing Offices are mandated to:

1. Within three (3) months after this ordinance shall have taken effect, in coordination with each other, prepare the general rules and guidelines implementing the provisions of this Ordinance and submit the same to the Sangguniang Bayan for its review and approval;
2. Design and prepare a **Procurement and Marketing Plan for MSME Products** to be carried out pursuant to the provisions of this Ordinance, subject to the approval of the Municipal Mayor and the availability of funds. For purposes of defining tasks, the BPLO shall implement the procurement activities and marketing activities.

3. Regularly coordinate with National Government Agencies (NGAs), Regional Line Agencies (RLAS) and other government agencies holding offices in Loon with respect to the strict implementation of the provisions of this Ordinance;
4. Submit semi-annual report to the Office of the Mayor and to the Office of the Vice Mayor of the status of implementation of this Ordinance;
5. Exercise such other functions expressly granted and those necessarily implied therefrom, as well as those functions necessary, appropriate and incidental to the effective and efficient implementation of the provisions of this Ordinance.

SECTION 9. FUNDS. Aside from the mandatory 10% procurement requirement, the Municipal Mayor, within one (1) year after this Ordinance shall have taken effect, shall propose the necessary appropriation of funds to be used in the implementation of the Municipal Government's Procurement and Marketing Plan for MSME products to be taken from the General Fund, subject to the approval of the Sangguniang Bayan.

The Municipal Government is hereby authorized to accept funds from other GOs, NGAs, RLAs, NGOs, CSOs, POs and the Business Sector to be used in the implementation of the Procurement and Marketing Plan, subject to proper government accounting and auditing procedures.

SECTION 10. SEPARABILITY CLAUSE. If, for any reason or reasons, any part or provision of this Ordinance shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall stand and continue to be in full force and effect.

SECTION 11. REPEALING CLAUSE. All local ordinances and enactments, executive orders, resolutions, memoranda, circulars or any part thereof contrary to or inconsistent with the provisions of this Ordinance is hereby repealed, modified or amended accordingly.

SECTION 12. EFFECTIVITY CLAUSE. After due public hearing, this Ordinance shall take effect after fifteen (15) days following its complete publication in at least one (1) local newspaper of general circulation.

UNANIMOUSLY APPROVED.

I hereby certify to the correctness of the above-quoted ordinance.

FIDELINO P. CORITICO, LLB
Secretary to the Sanggunian

ATTESTED:

LLOYD PETER M. LOPEZ, M.D.
Vice Mayor
Presiding Officer

APPROVED:

ELVI PETER L. RELAMPAGOS
Municipal Mayor

Date Signed: _____

