



REPUBLIC OF THE PHILIPPINES
 PROVINCE OF BULACAN
 MUNICIPALITY OF PULILAN



OFFICE OF THE SANGGUNIANG BAYAN

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION NO. 03 OF THE 11TH SANGGUNIANG BAYAN OF PULILAN, BULACAN HELD AT PERALTA FARM, TABON, PULILAN, BULACAN ON JANUARY 24, 2023

PRESENT:

HON. ROLANDO S. PERALTA JR.	Municipal Vice Mayor and Presiding Officer
HON. GILBERT S. MUÑOZ	SB Member
HON. ZANDRO C. HIPOLITO	SB Member
HON. PETER JOHN T. DIONISIO	SB Member
HON. FRANCISCO DJ. CRUZ JR.	SB Member
HON. RODOLFO E. ARCEO	SB Member
HON. ROLANDO G. PAYUMO	SB Member
HON. JOHN J. NETHERCOTT	SB Member
HON. REYNALDO J. CLEMENTE JR.	SB Member
HON. DENNIS M. CRUZ	President - Liga ng mga Barangay
HON. JULIUS H. TAYAO	President – SK Pederasyon

ABSENT:

NONE

MUNICIPAL ORDINANCE NO. 11-02-2023

AN ORDINANCE CONFIRMING, APPROVING, AND RATIFYING THE LOAN AGREEMENT BETWEEN THE MUNICIPAL GOVERNMENT OF PULILAN, BULACAN AND THE LAND BANK OF THE PHILIPPINES FOR THE FINANCING OF VARIOUS PROJECTS OF THE LGU, SUCH AS THE REDEVELOPMENT AND EXPANSION OF EXISTING PULILAN PUBLIC MARKET INTO TWO-STOREY PUBLIC MARKET BUILDING, CONSTRUCTION OF MATERIALS RECOVERY FACILITY AND SLAUGHTER HOUSE, CONSTRUCTION OF SEWAGE TREATMENT PLANT, CONSTRUCTION OF MARKET BAGSAKAN CENTER, REHABILITATION AND CONSTRUCTION OF RURAL HEALTH UNIT AND TRAINING CENTER, CONSTRUCTION OF FOOD COURT BUILDING AND OUTDOOR SHOPS, LAND SITE DEVELOPMENT, ROAD, PARKING, DRIVEWAY, WALKWAY, AND LANDSCAPES FOR THE REDEVELOPMENT OF PULILAN PUBLIC MARKET, AND CONSTRUCTION OF INFORMATION TECHNOLOGY BUILDING AMOUNTING TO THREE HUNDRED FIFTY MILLION PESOS (P350,000,000.00)

Sponsored by: Hon. John J. Nethercott
 Hon. Peter John T. Dionisio
 Hon. Julius H. Tayao

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WHEREAS, the Municipal Government of Pulilan will avail loan with the Land Bank of the Philippines to finance the various projects of the LGU, such as Redevelopment and Expansion of existing Pulilan Public Market into Two-Storey Public Market Building, Construction of Materials Recovery Facility and Slaughter House, Construction of Sewage Treatment Plant, Construction of Market Bagsakan Center, Rehabilitation and Construction of Rural Health Unit and Training Center, Construction of Food Court Building and Outdoor Shops, Land Site Development, Road, Parking, Driveway, Walkway, and Landscapes for the Redevelopment of Pulilan Public Market, and Construction of Information Technology Building amounting to Three Hundred Fifty Million Pesos (P350,000,000.00);

WHEREAS, this Sanggunian passed Resolution No. 11-70-2022 dated 04 October 2022 authorizing the Municipal Mayor to negotiate and enter into a contract with and the Land Bank of the Philippines for the financing of various projects of the Local Government Unit;

WHEREAS, this Sanggunian further enacted Municipal Ordinance No. 11-11-2022 dated 11 October 2022, Re: "An Ordinance providing authorizations, designations, and other conditions concerning the loan agreement entered between the Municipality of Pulilan, Bulacan and Land Bank of the Philippines amounting to Three Hundred Fifty Million Pesos."

WHEREAS, on 17 November 2022, pursuant to the aforesaid Resolution and Ordinance, the Municipal Mayor, representing the Municipality of Pulilan, signed a Loan Agreement of even date with Landbank of the Philippines represented therein by Arnulfo L. Carlos, OIC of Bulacan Lending Center.

WHEREAS, there is a need to confirm, approve and ratify the loan agreement with Landbank of the Philippines to give effects to its provisions.

NOW, THEREFORE, be it enacted, as it is hereby enacted on motion of Hon. John J. Nethercott, seconded by Hon. Gilbert S. Muñoz and unanimously approved by all the members present, that:

SECTION 1. The Loan Agreement to the loan in the amount of Three Hundred Fifty Million Pesos (P350,000,000.00) entered into by and between the Municipal Government of Pulilan, Bulacan, duly represented by Hon. Maria Rosario Ochoa-Montejo, and the Land Bank of the Philippines, represented by its Officer-in-Charge, Arnulfo L. Carlos, is hereby confirmed, approved and ratified.

SECTION 2. The Sangguniang Bayan hereby authorizes the Hon. Maria Rosario Ochoa-Montejo to sign subsequent documents pertaining to the loan, for and behalf of the Municipality, with the Land Bank of the Philippines.

SECTION 3. Consistent with the Loan Agreement signed by and between the Municipal Government of Pulilan, Bulacan and the Land Bank of the Philippines in connection with the borrowing, the features, terms and conditions shall be as follows and hereby approved:

RODOLFO E. ARCEO
 FRANCISCO D.J. CRUZ JR.
 JUAN H. PAYAO
 DENNIS M. CRUZ
 PETER JOHN T. DIONISIO
 RYLANDO A. CLEMENTE JR.
 ZANDRO C. HIPOLITO
 JOHN J. NETHERCOTT
 GILBERT S. MUÑOZ
 ROLANDO G. PAVOMO



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Term Loan

Amount

Term Loan 4 (TL4): Up to One Hundred Twenty Seven Million Seven Hundred Fifty Thousand & 00/100 (P127,750,000.00) or contract price, whichever is lower.

Term Loan (TL5): Up to Nine Million Seven Hundred Ninety Thousand & 00/100 (P9,790,000.00) or contract price, whichever is lower.

Term Loan 6 (TL6): Up to Two Million Five Hundred Eighty Thousand & 00/100 (P2,580,000.00) or contract price, whichever is lower.

Term Loan 7 (TL7): Up to Six Million One Hundred Eighty Thousand & 00/100 (6,180,000.00) or contract price, whichever is lower.

Term Loan 8 (TL8): Up to Four Million Five Hundred Thousand & 00/100 (P4,500,000.00) or contract price, whichever is lower.

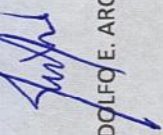
Term Loan 9 (TL9): Up to Eleven Million Eight Hundred Fifty Thousand & 00/100 (P11,850,000.00) or contract price, whichever is lower.

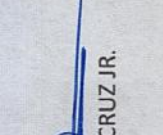
Term Loan 10 (TL10): Up to Sixty Four Million Eight Hundred Fifty Thousand & 00/100 (P64,850,000.00) or contract price, whichever is lower.

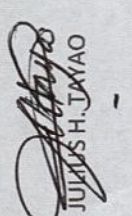
Term Loan 11 (TL 11): Up to One Hundred Twenty Two Million Five Hundred Thousand & 00/100 (P122,500,000.00) or contract price, whichever is lower.

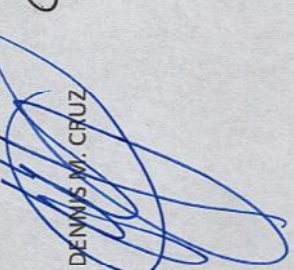
Availability Period

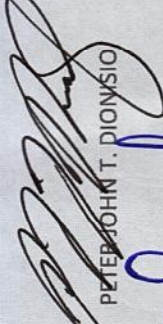
Availability period shall be one (1) year from the date of the loan signing.

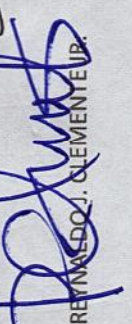
 RODOLFO E. ARCEO

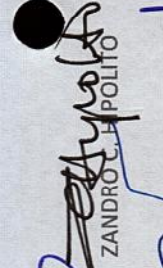
 FRANCISCO D. CRUZ JR.

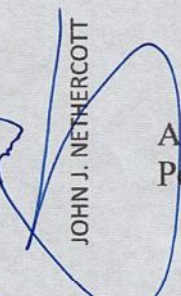
 JULIUS H. JAYAO

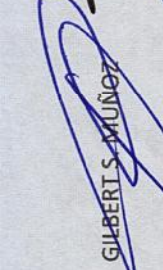
 DENNIS M. CRUZ

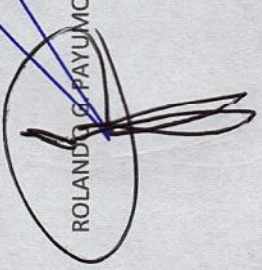
 PETER JOHN T. DIONISIO

 REMEDIOS J. CLEMENTE JR.

 ZANDRO C. POLITO

 JOHN J. NETHERCOTT

 GILBERT S. MUÑOZ

 ROLANDO G. PAYUMO



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Project to be **Term Loan 4 (TL4):** To finance the redevelopment and expansion of existing Pulilan Public Market into Two-Storey Public Market Building.

Financed **Term Loan 5 (TL5):** To finance the construction of Materials Recovery Facility and Slaughter House.

Term Loan 6 (TL6): To finance the construction of Sewage Treatment Plant.

Term Loan 7 (TL7): To finance the construction of Market Bagsakan Center.

Term Loan 8 (TL8): To finance the rehabilitation and construction of Rural Health Unit and Training Center.

Term Loan 9 (TL9): To finance the construction of Food Court Building and Outdoor Shops.

Term Loan 10 (TL10): To finance the landsite development, road parking, driveway, walkway, and landscapes for the redevelopment of Pulilan Public Market.

Term Loan 11 (TL11): To finance the construction of Information Technology Building.

Repayment Principal – Payable in thirty-two (32) equal quarterly amortizations to start at the end of the ninth (9th) quarter from the date of initial loan release.

Interest Interest – Payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial loan release.

Fixed at 4.00% per annum up to 31 December 2022 inclusive of the interest rate subsidy under the Bayanihan Act 2, subject to availability of funds.

Interest rate after 31 December 2022 – At prevailing LENDER's rate, subject to annual repricing.

**Republic Act No. 11494 or the "Bayanihan to Recover As One Act" or simply "Bayanihan 2" is an Act providing for Covid-19 response and recovery interventions and providing mechanisms to accelerate the recovery and bolster the resiliency of the Philippine economy, providing funds therefor, and for other purposes.*

Tenor Ten (10) years, inclusive of two (2) years grace period on principal.

RODOLFO E. ARCEO

FRANCISCO DJ. CRUZ JR.

PETER JOHN T. DIONISIO

ZANDRO C. HIPOLITO

GILBERT S. MUÑOZ

JULIUS H. TAYAO

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REYNALDO I. CLEMENTE JR.

JOHN J. NETHERCOTT

ROLANDO S. PATUÑO



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Mode of Release Loan release shall be on a staggered manner, per project basis, as follows:

- First release – Mobilization fund equivalent to 15% of the approved amount or contract price, whichever is lower, upon compliance of documentary requirements and validation by the Lender’s Property Valuation & Credit Information Department (PV-CID).
- Succeeding releases shall be at maximum of six (6) tranches depending on the percentage of completion as certified by contractor and subject to validation by the Lender’s PV-CID.
- Final release – Equivalent to minimum of ten percent (10%) of the approved amount or contract price, whichever is lower, subject to submission of the following:
 - a. Certificate of Acceptance by the Borrower’s authorized signatory signifying acceptance of the fully completed project; and
 - b. Appraisal Report from the Lender’s PV-CID showing 100% completion.

Terms and Conditions:

1. Fees and Charges:
 - a. 1% Handling fee – estimated at P3.50 Million for Term Loan 4 shall be waived;
 Handling fee for Term Loans 5 to 11: 1% based on approved amount of loan to be collected on the initial loan release
 - b. Commitment fee of ½% of unreleased loan – estimated at P0.88 Million for Term Loan 4, shall be waived;
 Commitment fee for Term Loans 5 to 11: ½ of 1% based on the unavailed portion of the loan from date of loan signing or last drawdown up to date of present drawdown whichever is applicable
 - c. Prepayment/Pre-termination fee shall be waived. However, a 2% pre-payment fee based on principal amount to be prepaid shall be collected in case the loan is taken out by other banks.
2. A penalty charge of 24% per annum, in case of non-payment, shall be charged to start on the day immediately after due date of loan amortization/credit accommodation up to the date of settlement.
3. Pre-release requirements:
 - a. Ordinance confirming, approving and ratifying the terms and conditions of the loan;
 - b. Sangguniang Panlalawigan validation of the Municipal Ordinance;
 - c. Bangko Sentral ng Pilipinas (BSP) Monetary Board Opinion;
 - d. Joint Certification by the Chairman of the Bids and Awards Committee and the Local Chief Executive that the Borrower has complied with R.A. 9184 as well as Commission on Audit (COA) rules and regulations;
 - e. Certification by the Budget Officer, Accountant and Treasurer noted by the Mayor that:
 - The amounts of equity, repairs and maintenance of the project, insurance premium and the repayment on principal,

[Signatures and names of Sangguniang Bayan members]
 RODO/FOE. ARCEO
 FRANCISCO DJ. CRUZ JR.
 DENNIS M. CRUZ
 PETER JOHN T. DIOMISIC
 REYNALDO J. CLEMENTE JR.
 ZANDRO C. HIPOLITO
 JOHN J. NETHERCOTT
 GILBERT S. MUÑOZ
 ROLANDO G. PAXUMO

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[Signatures of Mayor and other officials]



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interest and other charges on the loan have been fully appropriated and that full provisions have been made.

- The sources of repayment are available and not restricted by law or other obligations.
- The contractual obligations shall be entered into the appropriate books of accounts of the Borrower.

The loan shall be used exclusively to finance the construction of the 2-storey public market of the Borrower, construction of materials recovery facility and slaughter house, construction of sewage treatment plant, construction of market bagsakan center, rehabilitation and construction of rural health unit and training center, construction of food court building and outdoor shops, landsite development, road parking, driveway, walkway, and landscapes for the redevelopment of Pulilan Public Market, and construction of Information Technology Building.

- The Borrower shall annually submit to the Lender a certification on the said appropriation.

f. Ordinance approving the Local Development Plan / Annual Investment Program / Supplemental Investment Program that includes the projects to be financed and the establishment of economic enterprise in the Province.

- The projects to be financed by the Lender shall be subject to cost validation by the Lender's PV-CID.
- Project cost revision/adjustment, variation order or re-allocation/re-alignment for the herein loan ceiling but within the total approved loan shall be allowed, subject to cost validation of the Lender's PV-CID.
- The financed construction project shall be covered by Contractor's All-Risk Insurance (CARI) during construction period. Once completed, all incurable projects shall be insured with Government Service Insurance System (GSIS) by the Borrower to be endorsed in favor of the Lender.
- Submission of applicable GSIS insurance policies for all Lender's financed projects on the succeeding years shall not be required as part of the documentary requirement of the Lender since the Borrower shall be the one liable for such.
- Cost of overruns shall be for the account of the Borrower.
- The Lender reserves the right to withhold loan release should there be:
 - A case filed against the Borrower or its officials involving the project to be financed;
 - An adverse finding on the project or object of financing; or
 - A withdrawal by the Sangguniang Bayan on the authority given to the Local Chief Executive to contract this loan.
- Payment for SSS, Philhealth, taxes and other Government agencies shall be coursed thru the Lender.
- The Lender shall continue to be the Internal Revenue Allotment (IRA) and major depository bank of the Borrower while the loan is outstanding.
- The object of financing shall not form part of the collateral pool but the Borrower shall not dispose, sell or encumber the same while the loan with the Lender is outstanding.
- The Lender has the right to debit the Borrower's deposit accounts to cover loan payment, interest, penalty, insurance premium, advances and its interest and other loan charges as they fall due. For this purpose, the Borrower hereby authorizes the Lender to debit its deposit accounts with the Lender to cover any loan payments, and other charges as they fall due.

RODOLFO E. ARCEO

FRANCISCO DJ. CRUZ JR.

JULIUS H. TAYAO

DENNIS M. CRUZ

PETER JOHN T. DIONISIO

REYNALDO X. CLEMENTE JR.

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14. The Borrower hereby gives its consent to the Lender to disclose credit information about the Borrower to other banks, financial institutions, the Banker's Association of the Philippines-Credit Bureau (BAP-CB) and other bureaus and institutions.
15. Subject to other requirements that maybe imposed by Field Legal Officer for purpose of loan documentation.
16. The Borrower hereby agrees that it has fully understood the provisions of Bayanihan Act 2 referred in Interest section.

SECTION 4. Effectivity. This ordinance shall take effect immediately upon approval of the Municipal Mayor.

APPROVED.

I hereby certify that in a meeting held by the Sangguniang Bayan of Pulilan, Bulacan, the foregoing resolution has been duly approved by all the Sangguniang Bayan members present.

FREDERICK EMERSON A. CASTRO, J.D.
 Secretary to Sangguniang Bayan

ATTESTED BY:

ROLANDO S. PURALTA JR.
 Municipal Vice Mayor
 and Presiding Officer

APPROVED BY

MARIA ROSARIO OCHOA-MONTEJO
 Municipal Mayor

RODOLFO E. ARCEO

FRANCISCO D. CRUZ JR.

PETER JOHN T. DIONISIO

ZANDROC. HIPOLITO

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