



Republic of the Philippines
 Region IX
 Province of Zamboanga del Sur
MUNICIPALITY OF DUMALINAO



PROVINCIAL SECRETAR

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PROVINCE OF ZAMBOANGA DEL SUR

EXCERPTS FROM THE MINUTES OF THE 19th REGULAR SESSION OF THE 12th SANGGUNIANG BAYAN OF DUMALINAO, ZAMBOANGA DEL SUR, HELD AT SB SESSION HALL ON DECEMBER 19, 2022.

Present:

- | | |
|----------------------------|------------------------|
| HON. LORENZO S. ALCANTARA | - Municipal Vice Mayor |
| HON. RONALDO D. ENCABO | - SB Member |
| HON. FREDERICK R. BALANDRA | - SB Member |
| HON. HERMES B. CABALES | - SB Member |
| HON. MA. GEMMA C. ALBISO | - SB Member |
| HON. RHOLLY A. LABANG | - SB Member |
| HON. JELITO R. PEÑONAL | - SB Member |
| HON. JESSIE NIEL C. PAULO | - ABC President |
| HON. JEZIEL R. DAGUPAN | - SKF President |
| HON. ROMEO D. PARILA | - IPMR |

Absent:

- | | |
|-----------------------|--------------------------|
| HON. ARNOLD L. FLORES | - SB Member – Sick Leave |
| HON. ROMEO G. LIGAN | - SB Member – Sick Leave |

ORDINANCE NO. 2022-12-473

AN ORDINANCE GRANTING CUBEWORKS EQUIPMENT SUPPLY AND SERVICES, INC. (CESSI) ON THE ESTABLISHMENT AND OPERATION OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM IN THE MUNICIPALITY OF DUMALINAO, ZAMBOANGA DEL SUR.

WHEREAS, Section 16 of Republic Act 7160, otherwise known as the Local Government Code of 1991, provides that every Local Government Unit shall exercise power expressly granted those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective

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governance, and those which are essential to the promotion of the general welfare;

WHEREAS, Section 17 (b) (2) (viii) in the above-mentioned Code, states that the LGU shall provide services and facilities include, but are not limited to infrastructure facilities intended primarily to service the needs of the residents of the municipality and which are funded out of municipal funds including, but not limited to, municipal roads and bridges; school building and other facilities for elementary and secondary schools; clinics, health centers and other health facilities necessary to carry out health services; communal irrigation, small water impounding projects and other similar projects; fish ports; artesian wells, spring development, rainwater collectors and water supply system; seawalls, dikes, drainage and sewerage, and flood control; traffic signals and road signs; and similar facilities, as part of the basic services devolved to the municipalities;

WHEREAS, Section 447, (a), Article III of the same Code provides that the sangguniang bayan, as the legislative body of the municipality, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the municipality and its inhabitants pursuant to Section 16 of this Code and in the proper exercise of the corporate powers of the municipality as provided for under Section 22 of this Code;

WHEREAS, provided further to generate and maximize the use of resources and revenues for the development plans, program objectives, and priorities of the municipality;

WHEREAS, after careful review and exhausted deliberation, finding the same sound, proper, and in order;

NOW THEREFORE, on motion of **HON. HERMES B. CABALES** and severally seconded by the council present during the session;

BE IT ORDAINED by the 12th Sangguniang Bayan of Dumalinao, Zamboanga del Sur in session assembled, that:

SECTION I. TITLE – This ordinance shall be known as “Water Works System.”

SECTION II. DECLARATION OF POLICY. The state's declared policy recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives for needed investments.

SECTION III. PURPOSE. To provide and ensure the sustainable potable water supply in the locality.

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SECTION IV. DEFINITION OF TERMS.

- a. Cube works Equipment Supply and Services, Inc. (CESSI) - a service company and solution provider with an office address at Dr.7 Ellen's Bldg, Jasmin St, Capitol, Cebu City, and field office at Barangay Tikwas, Dumalinao, Zamboanga del Sur.
- b. Water Distribution System (WDS) – a water supply network with components that carry potable water from a centralized treatment plant to consumers to satisfy residential, commercial, and industrial consumers.
- c. Water Price Adjustment – is a price modification made to the overall price of a contract to take account of legitimate changes in the costs of performing it.
- d. Audited Financial Report – an audited report involves a thorough review of each and every item on a financial statement.
- e. Local Finance Committee (LFC) – is a finance committee composed of the Municipal Planning and Development Officer, Local Budget Officer and the Local Treasurer of the locality.

SECTION V. TERMS AND CONDITION. Bulk Water Supply and Level -3 operation of Water Distribution System (WDS) of Dumalinao, Zamboanga del Sur.

1. SCOPE OF SERVICE CONTRACT:

- a. Water Source Development, Installation of Water Treat Plant (WTP) at 2MLD, Pumping and Piping System as deemed necessary;
- b. Rehabilitate, Operate and Maintain (ROM) of the existing facility; and
- c. The municipality shall deliberate and enact ordinance that the Provider shall undertake the operation of Water Distribution System (WDS) as indicated in the duration and terms of contract.

2. TERMS OF CONTRACT:

- a. The Water Services Contract shall be Twenty- Five (25) Years and renewable for another 25 years;
- b. The Water Services Contract to the municipality shall be covered by a municipal ordinance that CESSI shall be the exclusive service provider with the franchise to serve the pre- determined area as approved by the LGU.

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This service connections and this may vary as the need arises during the terms and duration of this contract; and

c. The CESSI shall engage to collect directly to customers as indicated in the contract.

3. DEVELOPMENT OF WATER DISTRIBUTION FACILITY AND MUNICIPAL PLAN:

a. The CESSI shall provide all relevant data and information needed to develop and operate the Water Treatment Plant (WTP) within the municipality and to supplement the existing water supply source and in compliance of Philippine National Standard of Drinking Water- 2017;

b. The CESSI shall undertake the selected area of Municipal Water Distribution System (WDS) up to Level 3 operation;

c. The CESSI shall install pumping and piping system as necessary to improve the water services;

d. The CESSI shall install additional surface water source Water Treatment Plant (WTP) in Barangay Tickwas with the capacity of 2,000 cubic meter per day based on the projected demand for the next 20 years based on the Water Distribution System (WDS) Master plan;

e. The CESSI shall conduct rehabilitation and maintenance of piping, pumping system and reservoir tanks where necessary to improve service and aim at 24/7 operation; and

f. The LGU-Dumalinao shall turn-over the copies of all necessary documentation for the operation of Water Distribution System (WDS) on the selected areas.

4. PRICE OF POTABLE WATER:

a. The CESSI shall sell to the consumer/customers at the existing rate of:

a.a. Residential Consumer/Customers at Three Hundred Pesos (Php300.00) for the first ten (10) cubic meters or less, and Thirty-Five Pesos (Php35.00) per cubic meters on excess;

a.b. Commercial and Institutional Consumer/Customers at Four Hundred Pesos (Php400.00) for the first ten (10) cubic meters or less and Forty-five Pesos (Php45.00) per cubic meter on excess; and

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a.c. LGU-Dumalinao at Twenty-five Pesos (Php25.00) per cubic meter on areas not included in CESSI area of responsibility.

However, the lateral pipe connection with flow-meter shall be at maximum of One Hundred (100) meter from pipe mains.

b. The CESSI may propose for increase of its water billing/price adjustment from its consumers to be supported by reports of its operation, earnings and losses. The same shall be reported to the LGU-Dumalinao for evaluation particularly in the Sangguniang Bayan Office.

The granting of said increase shall be subject by approved resolution or ordinance of the local legislative body. Likewise, the LGU-Dumalinao may propose for the increase of its share from CESSI upon proper recommendation of the Local Finance Committee to be supported by a resolution of the local legislative body of the municipality.

5. COMMUNITY AND MUNICIPAL ACCEPTANCE:

a. Confirmation, Resolution/Ordinance from the Barangay and Municipality after the meeting/consultation of the constituents in the community is necessary for the legal basis of our private and public business partnership; and

b. The municipality shall assist on the Right of Ways during installation of our facility and should be included in the ordinance.

6. COMPENSATION COST OR MARKET OF THE EXISTING EQUIPMENT AND FACILITY:

a. The CESSI shall pay to the municipality an amount of Php0.50 per cubic meter billed to customer during the duration of the contract;

b. The CESSI shall spend a considerable investment during the rehabilitation and expansion of the Water Distribution System (WDS); and

c. The CESSI may take future ownership and/or pay a reasonable amount of rental to the LGU-Dumalinao on the existing pipelines, water tanks, and other facilities deemed necessary for the operation of Water Distribution System (WDS) after a Five (5) year period of operation in case the Dumalinao Local Waterworks System (DULWA) is no longer operating for some time due to possible transfer of consumers to CESSI upon proper evaluation of the circumstances and upon recommendation of the officials of LGU-Dumalinao,

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subject, to existing guidelines of procedure of disposal of government properties.

7. MANPOWER COMPLEMENT DURING THE PROJECT:

a. The CESSI shall employ the qualified and skilled residents in the municipality during the project implementation. At the start of operation of the Water Distribution System (WDS), CESSI shall give priority or preference to any applicants originally assigned from DULWA particularly JO's, contractual or casual who may have the intention in seeking employment in the company. Further, when the DULWA in the forthcoming years ceases its operation as events and circumstances warrant, CESSI shall likewise give priority or preference to applicants who wishes to elect employment from the latter specifically JO's, contractual or casual of the LGU-Dumalinao.

8. OPERATION AND ACCESSIBILITY:

a. The CESSI shall have an established business office and apply necessary permits to engage business in the municipality;

b. The LGU-Dumalinao shall provide assistance for security of the Water Distribution System facility upon the request of the CESSI during the construction and duration of the contract;

c. The LGU-Dumalinao shall provide a temporary office space in the municipal building, free of charge during the transition of Water Distribution System (WDS) operation while and within the period of Three Hundred Sixty-five (365) days;

d. The CESSI endeavors to complete the project within Three Hundred Sixty-Five (365) calendar days to which it will operate and deliver potable water to the Water Distribution System (WDS) of the municipality; and

e. The CESSI shall not be held liable to the LGU-Dumalinao in cases of project delays in the event of Fortuitous event or Acts of God, provided, that the CESSI shall resume its operation immediately thereafter upon declaration of cessation of said calamity by competent authority.

SECTION VI. PENALTIES. The LGU-Dumalinao shall impose liquidated damages of 1/10 of 1% per month of the monthly water billing in case the CESSI does not complete the project within Three Hundred Sixty-Five (365) calendar days from the commencement thereof.

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SECTION V. SEPARABILITY CLAUSE. Any provision/s as containing hereof which is later on found to be illegal, invalid, against public policy or morals by competent public authority is hereby deemed repealed and inoperative and that the remaining portion thereof shall remain operative.

SECTION VI. REPEALING CLAUSE – All orders, rules, regulations, ordinances and laws of local effect inconsistent herewith are modified or repealed accordingly.


SECTION VII. EFFECTIVITY. This ordinance shall take effect upon review and approval.

ENACTED this 19TH day of DECEMBER 2022 at Dumalinao, Zamboanga del Sur.

I HEREBY CERTIFY to the correctness of the foregoing Ordinance.


ATTY. MAYUS RYAN D. ANDO
SB Secretary

Attested by:


LORENZO S. ALCANTARA
Municipal Vice-Mayor – Presiding Officer

Approved by:


JUNAFLORE S. CERILLES, RMT, MAGD
Municipal Mayor

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