



Republic of the Philippines
Region IX
PROVINCE OF ZAMBOANGA SIBUGAY
Municipality of Buug
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OFFICE OF THE SANGGUNIANG BAYAN

Excerpt FROM THE MINUTES OF THE 44TH REGULAR SESSION OF THE SANGGUNIANG BAYAN NG BUUG ZAMBOANGA SIBUGAY HELD AT THE MUNICIPAL SESSION HALL, BUUG, ZAMBOANGA SIBUGAY ON DECEMBER 16, 2024 AT 10:00 IN THE MORNING.

| NAME | POSITION | PRESENT | ABSENT | LATE | OB |
|---------------------------------|--|---------|--------|------|----|
| HON. JONAM R. LAGAS | Municipal Vice-Mayor Presiding | √ | | | |
| Hon. Marvin Jessie G. Gako | SB Member | | √ | | |
| Hon. Sherwin R. Quintero | SB Member | √ | | | |
| Hon. Romeo L. Cerbo | SB Member | √ | | | |
| Hon. Freida C. Curiba | SB Member | √ | | | |
| Hon. Abdul S. Dimasagka | SB Member | √ | | | |
| Hon. Julio S. Alcantara, Jr. | SB Member | √ | | | |
| Hon. Eduardo F. Emorecha | SB Member | √ | | | |
| Hon. Renato T. Banagan | SB Member, Floor Leader | | √ | | |
| Hon. Keith Jones B. Lagas | Liga Ng Mga Barangay | √ | | | |
| Hon. Riel Laurence F. Maquiling | SKF President | √ | | | |

MUNICIPAL ORDINANCE NO. 49-2024

AN ORDINANCE ESTABLISHING THE AUTOMATIC DEDUCTION OF LIQUIDATED DAMAGES, SITUS TAX, AND OTHER OBLIGATIONS DUE TO THE LOCAL GOVERNMENT UNIT (LGU) IN THE DISBURSEMENT VOUCHERS FOR SUPPLIERS AND CONTRACTORS.

WHEREAS, the Local Government Unit (LGU) is committed to ensuring that all payments for goods, services, and contracts are made in accordance with applicable laws and regulations, particularly the imposition of liquidated damages, situs tax, and other obligations due the LGU as stipulated in relevant legal provisions;

WHEREAS, the Local Government Code of 1991 (RA 7160) and the Civil Code of the Philippines, along with the Implementing Rules and Regulations (IRR-A) of Republic Act No. 9184, provide guidelines for the deduction and collection of taxes, liquidated damages, and other amounts owed to the LGU in the course of procurement and contract administration;

NOW, THEREFORE, be it ordained by the Sangguniang Bayan of Buug, that:

SECTION 1. OBJECTIVE. The objective of this ordinance is to ensure the efficient and transparent automatic deduction of liquidated damages, situs tax, and any other obligation due to the LGU from the amounts payable to suppliers, contractors, or any entity in contractual relationship with the LGU;

SECTION 2. LEGAL BASIS. The legal basis for this ordinance is drawn from:

- **IRR-A, Section 68 and Annex "D"**: Pertaining to the imposition of liquidated damages in cases of delayed delivery or performance by suppliers or contractors.
- **Civil Code of the Philippines, Article 2226**: Governing the principles of liquidated damages.
- **Republic Act No. 7160, Local Government Code of 1991, Section 150**: Governing the situs of tax and the obligations of businesses regarding taxes due to the LGU.

SECTION 3. DEFINITION OF TERMS

1. **Liquidated Damages** – The amount stipulated in the contract to be paid by the supplier or contractor for every day of delay in the delivery or performance of goods or services, as defined in the Civil Code and the IRR-A of RA 9184.
2. **Situs Tax** – The tax obligation accruing to the LGU based on the location of the business operations or transactions as specified under RA 7160.
3. **Other Obligations** – Any other dues or charges required by the LGU, including fees, taxes, and penalties as prescribed by law.

SECTION 4. AUTOMATIC DEDUCTION FROM PAYMENTS

1. **Deduction of Liquidated Damages**: When a supplier or contractor fails to comply with the delivery schedule or project implementation schedule, including any granted time extensions, liquidated damages will automatically be deducted from the total amount payable for the delayed goods or services.
2. **Deduction of Situs Tax**: The appropriate situs tax, as defined under RA 7160, will be automatically deducted from the payment to the contractor, supplier, or service provider in accordance with the situs of the transaction or business operation.
3. **Other Obligations**: Any other financial obligations due to the LGU, such as fees, penalties, or taxes, will also be automatically deducted from the disbursement voucher in line with applicable laws and regulations.

SECTION 5. DISBURSEMENT VOUCHER REFLECTION. The amounts deducted as liquidated damages, situs tax, and any other obligations due to the LGU shall be reflected clearly and accurately in the corresponding disbursement voucher;

1. The amount of liquidated damages, calculated at the rate of one-tenth (1/10) of one percent (1%) of the cost of the delayed goods or services for each day of delay.
2. The situs tax as defined under Section 150 of the Local Government Code of 1991
3. Any other taxes, fees, or obligations due to the LGU that are required by law.

SECTION 6. ADMINISTRATIVE PROCEDURE

1. The Accounting and Treasurer's Office shall implement this ordinance by ensuring that the relevant deductions are reflected in the disbursement vouchers prior to the release of payments.
2. The concerned departments shall provide the necessary documentation and computations for liquidated damages, situs tax, and other obligations to ensure accuracy in the deductions.

SECTION 7. REPEALING CLAUSE - The provisions of previous local enactments, resolutions, memoranda, circulars, and other issuances inconsistent with this Ordinance are hereby repealed or modified accordingly.

SECTION 8. SEPARABILITY CLAUSE - Should any portion of this Ordinance be declared ultra vires or unconstitutional by competent authority, the remainder not so affected shall continue to be in full force and effect as it is susceptible to enforcement and application.

SECTION 9. EFFECTIVITY. This ordinance shall take effect immediately upon its approval and compliance with the posting and publication requirements set forth in Republic Act No. 7160;

ENACTED this 2ND day of December 2024, at Buug, Zamboanga Sibugay Province

CERTIFIED CORRECT:


ROSAMEE VILLASOR-APDUHAN
Sangguniang Bayan Secretary

ATTESTED:


HON. JONAM R. LAGAS
Municipal Vice-Mayor/Presiding

APPROVED:


HON. DIONESIA B. LAGAS
Municipal Mayor
Date Approved: 12-23-24