

Republic of the Philippines
Province of Cagayan
City of Tuguegarao

Office of the Secretary to the Sanggunian

March 27, 2018

Dr. Rosalinda P. Callang
Secretary to the Sanggunian
Sangguniang Panlalawigan, Province of Cagayan
Capitol Hills, Tuguegarao City




Madam:

Pursuant to Section 54 of the Local Government Code, we are now submitting for review and action the attached legislative measures enacted by the Sangguniang Panlungsod on March 13, 2018, to wit:

- **CITY ORDINANCE NO. 13-2018** – AN ORDINANCE OF TUGUEGARAO CITY GOVERNMENT LOCALIZING REPUBLIC ACT NO. 6685 "AN ACT REQUIRING PRIVATE CONTRACTORS TO WHOM NATIONAL, PROVINCIAL, CITY AND MUNICIPAL PUBLIC WORKS PROJECTS HAVE BEEN AWARDED UNDER CONTRACT TO HIRE AT LEAST FIFTY PERCENT OF THE UNSKILLED AND AT LEAST THIRTY PERCENT OF THE SKILLED LABOR REQUIREMENTS TO BE TAKEN FROM THE AVAILABLE BONA FIDE RESIDENTS IN THE PROVINCE, CITY OR MUNICIPALITY IN WHICH THE PROJECTS ARE TO BE UNDERTAKEN AND PENALIZING THOSE WHO FAIL TO DO SO"

Thank you.

Yours truly,


JOEL JOSEPH L. EGIPTO
Secretary to the Sanggunian



Republic of the Philippines
 PROVINCE OF CAGAYAN
 City of Tuguegarao
SEVENTH CITY COUNCIL



EXCERPTS FROM THE MINUTES OF THE 76th REGULAR SESSION
 OF THE SEVENTH CITY COUNCIL OF TUGUEGARAO CITY, CAGAYAN
 HELD ON MARCH 13, 2018, 9:00 A.M., TUESDAY,
 AT THE SANGGUNIANG PANLUNGSOD SESSION HALL

PRESENT:

Hon. Bienvenido C. De Guzman II	City Vice Mayor/Presiding Officer
Hon. Jude T. Bayona	Sangguniang Panlungsod Member
Hon. Kendrick S. Calubaquib	-do-
Hon. Arnel T. Arugay	-do-
Hon. Gilbert S. Labang	-do-
Hon. Winnoco R. Abraham	-do-
Hon. Imogen Claire M. Callangan	-do-
Hon. Mary Marjorie P. Martin-Chan	-do-
Hon. Raymund P. Guzman	-do-
Hon. Grace B. Arago	-do-
Hon. Anthony C. Tuddao	-do-
Hon. Jose G. Velasco	-do-

ABSENT:

Hon. Maila Rosario T. Que	Sangguniang Panlungsod Member (on Official Business)
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CITY ORDINANCE NO. 13-2018

AN ORDINANCE OF TUGUEGARAO CITY GOVERNMENT LOCALIZING REPUBLIC ACT NO. 6685 "AN ACT REQUIRING PRIVATE CONTRACTORS TO WHOM NATIONAL, PROVINCIAL, CITY AND MUNICIPAL PUBLIC WORKS PROJECTS HAVE BEEN AWARDED UNDER CONTRACT TO HIRE AT LEAST FIFTY PERCENT OF THE UNSKILLED AND AT LEAST THIRTY PERCENT OF THE SKILLED LABOR REQUIREMENTS TO BE TAKEN FROM THE AVAILABLE BONA FIDE RESIDENTS IN THE PROVINCE, CITY OR MUNICIPALITY IN WHICH THE PROJECTS ARE TO BE UNDERTAKEN, AND PENALIZING THOSE WHO FAIL TO DO SO"

Sponsors: Hon. Bienvenido C. De Guzman II
 Hon. Raymund P. Guzman
 Hon. Jude T. Bayona
 Hon. Kendrick S. Calubaquib
 Hon. Arnel T. Arugay
 Hon. Gilbert S. Labang
 Hon. Winnoco R. Abraham
 Hon. Imogen Claire M. Callangan
 Hon. Mary Marjorie P. Martin-Chan
 Hon. Grace B. Arago
 Hon. Anthony C. Tuddao
 Hon. Jose G. Velasco

WHEREAS, the 1987 Philippine Constitution declares, among others, that the State affirms labor as a primary social economic force and, therefore, protects the rights of workers and promote their welfare and, in relation to this, further calls for the promotion of a more equitable distribution of opportunities, income, and wealth as among the goals of the national economy and patrimony;



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WHEREAS, to make these principles become much more operative in the LGU setting, Section 16 of the Local Government Code of 1991 authorizes Local Government Units (LGUs) to exercise the powers expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare;

WHEREAS, in the same manner, Section 16 of the Local Government Code of 1991 also directs LGUs concerned to maximize the exercise of all its expressed and implied powers, by way of the legislative authority delegated to its respective sanggunians, to secure or promote full employment among their residents, maintain peace and order, and preserve the comfort and convenience of their inhabitants;

WHEREAS, Republic Act No. 6685 has further reinforced the foregoing provisions by requiring private contractors to whom national, provincial, city and municipal public works projects were awarded under contract to hire at least 50% of unskilled and at least 30% of skilled labor requirements from the locality within which these projects are to be undertaken;

WHEREAS, the Public Employment Service Office (PESO) of Tuguegarao City Government is mandated to implement the Workers Hiring for Infrastructure Projects (WHIP) pursuant to RA 6685;

WHEREAS, in order for the PESO to implement RA 6685, there is a need to localize Republic Act 6685;

WHEREAS, localizing the said Republic Act will guide the City's Engineering Department and all contractors of infrastructure projects funded by the City Government in implementing the program and will also help in the employment generation in the locality;

NOW, THEREFORE, be it **ORDAINED** by the Seventh City Council of Tuguegarao City in session **ASSEMBLED**, to enact:

CHAPTER 1
SHORT TITLE, DECLARATION OF POLICY AND COVERAGE

SECTION 1. TITLE. This Ordinance shall be known as **"AN ORDINANCE OF TUGUEGARAO CITY GOVERNMENT LOCALIZING REPUBLIC ACT NO. 6685 "AN ACT REQUIRING PRIVATE CONTRACTORS TO WHOM NATIONAL, PROVINCIAL, CITY AND MUNICIPAL PUBLIC WORKS PROJECTS HAVE BEEN AWARDED UNDER CONTRACT TO HIRE AT LEAST FIFTY PERCENT OF THE UNSKILLED AND AT LEAST THIRTY PERCENT OF THE SKILLED LABOR REQUIREMENTS TO BE TAKEN FROM THE AVAILABLE BONA FIDE RESIDENTS IN THE PROVINCE, CITY OR MUNICIPALITY IN WHICH THE PROJECTS ARE TO BE UNDERTAKEN, AND PENALIZING THOSE WHO FAIL TO DO SO"**

SECTION 2. DECLARATION OF POLICY. It is hereby declared a policy of Tuguegarao City to affirm labor as a primary social economic force and, therefore, protects the rights of workers and promotes their welfare by localizing Republic Act No. 6685 which requires private contractors to whom national, provincial and city public works projects were awarded under contract to hire at least 50% of unskilled and at least 30% of skilled labor requirements from the locality within which these projects are to be undertaken.

SECTION 3. COVERAGE. This Ordinance shall apply to all private contractors to whom national, provincial and city public works have been awarded under contract to hire at least fifty percent of unskilled and at least thirty percent of the skilled labor requirements in the City in which the projects are to be undertaken.

CHAPTER 2
DEFINITION OF TERMS

SECTION 4. DEFINITION OF TERMS. – The following terms and phrases shall be interpreted as indicated herein when used in this ordinance:

A. Public Works Projects – refer to national, provincial, city and barangay projects including, but not limited to, roads, schools, power and water systems, piers, airports, flood control and similar projects.



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- B. Capitalization** – refers to the paid-up capital in the case of a corporation and total invested capital in the case of a partnership or single proprietorship.
- C. Commercial Establishments** – refer to all private-owned establishments, the addresses or business operations of which are located within the territorial jurisdiction of Tuguegarao City such as malls, department stores, boutiques, food processing industries, food chains, manufacturing or assembly plants, depots, machine shops, motor vehicles service center, fishing industries, security agencies, banks, pawnshops and other similar lending or financial agencies, schools, hospitals, transport services, hardware stores, insurance companies and other similar pre-need or post-need enterprises, cooperatives, establishments providing professional services, i.e., law or accounting firms, and such other similar or related profit-oriented businesses.
- D. Public Works** – refer to all infrastructure programs, projects or activities such as the construction or repair of roads, bridges, flood control, public school buildings, government housing programs or projects, government centers, public terminals, airports, plazas, water or irrigation systems, electrification projects and such other similar forms of construction projects including those implemented by non-government organizations (NGOs) or peoples organizations (POs) whereby funds for which were taken from government coffers, except, consultancy services requiring exceptional or technical expertise, scientific projects of highly technical nature, and all forms of defense and military installations including those to be undertaken by the engineering corps of the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP).
- E. Skilled Labor** – refers to any occupation that typically requires a fair amount of education or training over a period of time and that satisfactory performance of which requires the application of expertise such as that of plumbers, electricians, mechanics, masons, commercial drivers, carpenters, technicians, painters, ironworkers, information technology technicians, computer programmers, medical technologists, supervisors, managers, engineers, accountants, physicians, teachers or other similarly related professions.
- F. Unskilled Labor** – refers to any occupation not falling within the nature or scope of skilled labor such as, but not limited to, that of a janitor, waiter, security guard, messenger, hairdresser, beautician, secretarial or clerical staff, receptionist, helper, merchandiser, salesperson or other similarly related works.
- G. Bona Fide Resident** – as defined in RA 6685, a person who can submit a voters certification or any reliable document of identification or submit a verification from the barangay chair or any other member of the barangay council in the absence of the barangay chair to prove that they are bona fide and actual residents of the locality where the project will be undertaken.

CHAPTER 3 GENERAL PROVISIONS

SECTION 5. SPECIFIC POLICIES. The following policies shall be complied with:

- A.** All owners, operators, manager or contractors/sub-contractors of commercial establishments and public works falling under the coverage of the preceding section are hereby required to employ at least 50% of their unskilled and at least 30% of their skilled human resources from qualified bona fide local residents of the city.
- B.** It shall be the obligation of such owners, operators, managers or contractors/sub-contractors of commercial establishments and public works concerned to formally notify the field office of the Department of Labor and Employment (DOLE) in the city, the Office of the City Engineer, and the city's Public Employment Service Office (PESO) of their respective demands for human resources pursuant to the provision of Section 5(a) hereof.
- C.** It shall be the obligation of such owners, managers, operators, contractors/sub-contractors of commercial establishments concerned that are already subsisting in the city at the time this Ordinance



shall have taken into effect to, within one (1) year thereafter and by way of non-arbitrary options, reorganize their respective human resource components so as these shall become ultimately compliant with the foregoing provisions.

- D. It shall be unlawful for any such owners, operators, managers or contractors/sub-contractors concerned to take advantage of the foregoing provisions or any provision of this Ordinance to promote or facilitate the commission of any act which violates the constitutional rights of workers.

The Office of the City Engineer together with the incumbent chairperson of the city's Bids and Awards Committee (BAC) established pursuant to Republic Act No. 9184, otherwise known as "The Government Procurement Reform Act," and PESO Head shall be chiefly and jointly responsible to carry out the city-wide implementation of the pertinent provisions of Republic Act No. 6685 and, in pursuit thereof, shall:

1. Make sure that the requirements set forth under the Provisions of Republic Act No. 6685 are strictly complied with in all public works contract to be implemented in the city;
 2. Check whether the foregoing requirements are also observed accordingly in all subsisting DPWH-funded projects, program or activities in the city which are being implemented or sub-contracted;
 3. Ensure that Sections 4 and 5 of RA 6685 shall be expressly stipulated as among the major obligations to be accomplished by the implementing agency in any upcoming Memorandum of Agreement (MOA) to be entered into;
 4. Cause the filing of appropriate charges against any contractor/sub-contractor found to have violated the provisions of RA 6685 without prejudice to the filing of other charges for violation of this Ordinance or other applicable laws, rules and regulations;
 5. Permanently blacklist any such contractor against whom appropriate charges shall have been filed in court for violation of the provisions of RA 6685; and,
 6. Subject to the approval of the Office of the City Mayor, executes such other related programs, projects or activities which are incidental to the efficient and effective implementation of the foregoing provisions.
- E. Upon the expiration of such one (1) year prescription period, no business permit shall be renewed in favor of any commercial establishments who shall have deliberately failed or refused to observe the requirement set forth in this ordinance, provided, however, that the Sangguniang Panlungsod, by virtue of a duly approved Resolution, may grant extension of up to one (1) year only in favor of any such commercial establishments upon presentation of a justifiable ground coupled with a written undertaking under oath to fully comply with the requirement set forth under the preceding Paragraph hereof within the afforded one (1) year extension period.
- F. Likewise, beginning at the time this Ordinance shall have taken into effect, all owners, managers, operators including contractors/sub-contractors or builders of commercial establishments concerned in the city which are yet to commence business activities shall, beginning at the time of their structural construction prior to their formal business operation as such and, thenceforth, be required to employ and thus regularly maintain at least 50% of unskilled and at least 30% of skilled labor resources from qualified applicants who are at the same time bona fide residents of the city.
- G. The Office of the City Engineer or the Office of the City Building Official, as the case may be, in close coordination with the city's Public Employment Service Office shall see to it that the requirement set forth under the preceding paragraph hereof is strictly complied with.
- H. The Office of the City Engineer or the Office of the City Building Official or the Permits and Licenses Division of the City Mayor's Office, as the case may be, shall not issue the required structural or business permits whatsoever to any such owners, managers, operators including



contractors/sub-contractors or builders concerned who deliberately fail or refuse to comply with the requirements set forth under Section 5(F) hereof.

- I. The Office of the City Engineer, the Office of the City Building Official and the Permits and Licenses Division of the City Mayor's Office, in close coordination with the city's Public Employment Service Office shall, from time to time, conduct joint ocular inspections of such commercial establishments and the like stated in Section 5(A) hereof, and, thereby, submit to the Sangguniang Panlungsod a progress report stating therein any significant observations found in the process of implementing the foregoing provisions.

SECTION 6. ADDITIONAL POLICIES. This provision shall govern the standard procedures for the implementation of the mandatory employment quota to be complied by those covered under Section 5(A) hereof.

- A. The mandatory minimum percentage of 50% unskilled and 30% skilled labor force shall be filled in as follows:

1. First priority recruitment shall come from the unemployed bona fide residents of the barangay where the project is to be undertaken who are qualified, ready, willing and able to perform needed work functions as certified by the Punong Barangay through the prior recommendation of the city's Public Employment Service Office (PESO).
2. Whenever such mandatory requirements are not fully met pursuant to the provisions of the immediately preceding Paragraph hereof, the deficiency shall be recruited from among the unemployed bona fide residents of the nearest adjacent barangay where the project is to be undertaken who are qualified, ready, willing and able to perform needed work functions as certified by the Punong Barangay through the prior recommendation of the city's Public Employment Service Office (PESO).
3. If, after the exhaustion of the provisions of Paragraphs 1 and 2 hereof, such mandatory requirements are, still, not fully met, the remaining deficiency shall be recruited from among the unemployed bona fide residents of the city who are qualified, ready, willing and able to perform needed work functions as determined by the city's Public Employment Service Office (PESO).
4. The city's Public Employment Service Office (PESO) shall, immediately after this Ordinance shall have become effective, formulate procedural rules for the efficient and effective implementation of the provisions of Paragraph 3 hereof, thereby taking into account fairness, equity and merit in the process of filling up such remaining deficiencies, said rules to be made subject to the approval of the Office of the City Mayor.

- B. Additional Functions of the City's PESO in Pursuance of the Provisions of this Ordinance. - For the purpose of ensuring the efficient and effective implementation of the provisions of this Ordinance, the city's Public Employment Service Office (PESO) is hereby mandated to carry out, in addition to its subsisting official functions, the following responsibilities and accountabilities:

1. Establish and maintain a regularly updated databank of all currently unemployed unskilled and skilled workers who are residents of the city;
2. Furnish records to and coordinate regularly with the district or field offices of the Department of Labor and Employment (DOLE), the Department of Public Works and Highways (DPWH), the Office of the City Engineer (CEO), the city's Bids and Awards Committee (BAC), and other concerned national and local government agencies insofar as matters pertaining to the mandates of the immediately preceding Paragraph or the efficient and effective implementation of this Ordinance are concerned;
3. Make sure that Gender and Development and such other laws, rules and regulations pertaining to women empowerment or those that promote men and women as equal partners towards pursuing



development are strictly observed and promoted in the process of implementing the provisions of this Ordinance; and,

4. Conduct information, education and dissemination fora or campaigns to various local commercial establishments concerned and various local workers' groups, associations or cooperatives on the merits of this Ordinance from time to time.

C. Contractor Requirement. - All private contractors, including subcontractors, to whom awards are made for the undertaking of local public works projects funded by either the National Government or this local government unit including foreign-assisted projects must hire at least fifty percent (50%) of the unskilled and thirty percent (30%) of the skilled labor requirements from the unemployed bona fide and actual residents in the city who are ready, willing and able as determined by the city mayor where the projects are to be undertaken, provided that labor used or to be used for the manufacture of prefabricated construction materials and other materials premade outside the place of project implementation and skilled manpower utilized or to be utilized for the preparation of engineering designs and project plans and layouts shall be exempted from the labor requirements herein imposed, provided further, that where the number of available resources is less than the required percentages provided herein, said requirements shall be based on the maximum number of locally available labor resources which fact shall be certified by the city engineer as sufficient compliance with the labor requirements under this ordinance.

D. Notice of Labor Requirements. - The contractor and/or subcontractor shall post in conspicuous areas to be specified and designated by the city authorities a notice in either Filipino, English or the local dialect that local residents are needed for the project. Applicants shall bring their voter's identification card or any reliable document of identification or submit verification from the barangay captain or any other member of the barangay council in the absence of the barangay chair to prove that they are bona fide and actual residents of the locality where the project will be undertaken. Furthermore, applicants shall pass reasonable performance requirements of the contractor.

E. Certificate of Compliance. - The contractor and/or subcontractor shall submit to the city engineer, among the requirements for every progress billing, a certificate of compliance with the above requirements duly sworn to including a list of names of residents hired from the locality where the project was undertaken.

CHAPTER 4 FINAL PROVISIONS

SECTION 7. PENALTY CLAUSE. - Any person who willfully refuses to abide by the provisions of this Ordinance shall, after due process, be punished as provided for in Section 6 of R.A. 6685 which states that "failure without good cause by the contractor or subcontractor to comply with the requirements of Sections 1, 4 and 5 of this Act shall be penalized by a fine of Twenty thousand pesos (P20,000) for the first offense; suspension for one (1) year from participating in public works bidding for the second offense; and perpetual disqualification from participating in public works bidding for the third offense" without prejudice to the filing of other appropriate criminal, civil, and/or administrative charges for violation of other pertinent laws, rules and regulations.

SECTION 8. REPEALING CLAUSE. - Ordinances, resolutions, memoranda, circulars, executive orders and other local legislations and issuances inconsistent with this ordinance are hereby modified or repealed accordingly.

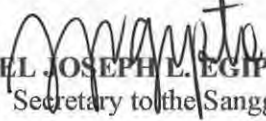
SECTION 9. SEPARABILITY CLAUSE. - Should any provision of this Ordinance be subsequently declared unconstitutional, unlawful or illegal, the other provisions not so declared shall remain in full force and effect.

SECTION 10. EFFECTIVITY CLAUSE. - This Ordinance shall immediately take effect upon its approval and upon compliance of the mandatory posting and publication requirements prescribed under RA 7160, otherwise known as the "Local Government Code of 1991."


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I HEREBY CERTIFY TO THE CORRECTNESS OF THE FOREGOING:


JOEL JOSEPH L. EGIPTO, Ph.D.
Secretary to the Sanggunian

ATTESTED:


HON. BIENVENIDO C. DE GUZMAN II
City Vice Mayor
Date: _____

APPROVED:


HON. JEFFERSON P. SORIANO
City Mayor
Date: 3/27/18

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Republic of the Philippines
Province of Cagayan
TUGUEGARAO CITY

OFFICE OF THE SP SECRETARIAT

MINUTES OF THE PUBLIC HEARING

COMMITTEE: RULES, LAWS AND ETHICS

DATE: March 5, 2018
TIME STARTED: 01:45 P.M.
TIME ENDED: 03:15 P.M.
VENUE: SP Session Hall, 3rd Floor, Tuguegarao City

PRESENT:

HON. RAYMUND P. GUZMAN	Chairman, Laws
HON. GILBERT S. LABANG	Member, Laws
HON. WINNOCO R. ABRAHAM	Member, Laws

OTHER MEMBERS PRESENT:

HON. KENDRICK S. CALUBAQUIB
HON. IMOGEN CLAIRE M. CALLANGAN

GUESTS/RESOURCE PERSONS:

(Please see attached attendance sheet)

SUBJECT:

AN ACT REQUIRING PRIVATE CONTRACTORS TO WHOM NATIONAL, PROVINCIAL, CITY AND MUNICIPALITY PUBLIC WORKS PROJECTS HAVE BEEN AWARDED UNDER CONTRACT TO HIRE AT LEAST FIFTY PERCENT OF THE UNSKILLED AND AT LEAST THIRTY PERCENT OF THE SKILLED LABOR REQUIREMENT TO BE TAKEN FROM THE AVAILABLE BONA FIDE RESIDENTS IN THE PROVINCE, CITY, MUNICIPALITY IN WHICH THE PROJECTS ARE TO BE UNDERTAKEN AND PENALIZING THOSE WHO FAIL TO DO SO.

CORE OF DISCUSSION:

The public hearing started with a prayer led by Ms. Joanna Pattugalan followed by the acknowledgement of the participants by Hon. Raymund P. Guzman, Chair on Committee on Rules, Laws and Ethics.

Ms. Rosemarie Geron, City PESO Head, said that the ordinance is for the purpose of helping employment in the locality and explained that the Infrastructure projects are the projects implemented by the government through private contractors funded by the city government which is in accordance with RA 6685. She said that 30 or 50% of the workers or laborers should come from the locality where the projects are located or are being implemented.

Engr. Eduardo D. Mabasa from the Interior Junior Construction stated that they are aware of the law however, the coordination of the contractors with the PESO should be given much attention because there is a problem in terms of employment since there is a lack of number of laborers to be hired considering that Tuguegarao City is already a fast developing City. He also mentioned of the fact that sometimes there are short-term projects which require a number of days only to finish and finding for laborers will take much of their time, hence, sometimes they bring along their own laborers from other places.

The Chair expressed that they should comply with the law by coordinating with the DOLE and the PESO and that as long as there are available laborers, they should prioritize the laborers from the city. He also said that those who fail to comply with the law will be penalized.

Ms. Geron expressed that there is already a new minimum wage rate which is already being implemented. She suggested that each laborer should fill-up a form from the PESO to see the percentage of the skilled and unskilled workers in the City so that they can create a monitoring report useful for future projects.

Hon. Calubaquib stated that one of the requirements of the DOLE is that once a project is being rewarded, all contractors should submit all the names of the skilled and unskilled workers in order to be given a DOLE Certification which is needed for the implementation of a certain project. He said that in the previous meetings they had with the city barangay officials, they have suggested that all barangay officials should inform their constituents or the contractors to get the skilled and unskilled workers within their jurisdictions since all projects being undertaken are all by contracts.

Hon. Calubaquib suggested to use the penalties stated in RA 6685 instead of that written in the proposed ordinance, to which the Chair agreed.

There being no more issues to be raised, the committee agreed for the adoption of the committee report favorably endorsing the matter at hand for second reading in the next regular session.

Prepared by:


Eizel D. Gampad
LLSA II