



CITY ORDINANCE NO. CO 167-2021
Series of 2021

AN ORDINANCE AUTHORIZING, APPROVING, AND RATIFYING THE PROPOSED BORROWING OF THE CITY OF BACOR, CAVITE WITH THE DEVELOPMENT BANK OF THE PHILIPPINES IN THE AMOUNT OF PESOS: ONE HUNDRED FIFTY MILLION (PHP 150,000,000.00) TO FUND THE CONSTRUCTION OF CREMATORIUM AND COLUMBARIUM COMPLEX.

WHEREAS, on 19 July 2021, the City Government of Bacoor, Cavite represented by Honorable Mayor, Lani Mercado-Revilla, entered into a Term Loan Agreement and Assignment of Deposit With Hold Out and Control Agreement with the Development Bank of the Philippines, duly represented by its Legal Representative, Senior Manager, Dasmariñas Lending Center Head Brian Niño A. Juniller, to finance the construction of Crematorium and Columbarium Complex in the amount of **PESOS: One Hundred Fifty Million (Php 150,000,000.00)**;

NOW THEREFORE, be it enacted by the Sangguniang Panlungsod of Bacoor, Cavite in regular online session assembled that:

SECTION 1: The City Mayor, in representation of the City of Bacoor, Cavite, hereinafter referred to as the "City", is hereby authorized to negotiate and enter into a Term Loan Agreement, Assignment of Deposit With Hold Out and Control Agreement, and other documents related hereto, with the Development Bank of the Philippines (DBP) in accordance with Section 297 of Republic Act No. 7160 or the Local Government Code, in the amount of **PESOS: ONE HUNDRED FIFTY MILLION (PHP 150,000,000.00)** under the terms and conditions herein set forth and such other terms and conditions as maybe agreed upon with any person, corporation of entity for the purpose of funding priority projects and subject to the requirements under Section 123 of Republic Act No. 7160 as implemented by the Bangko Sentral Ng Pilipinas Circular No. 402. In this connection, the City Mayor shall have full power and authority to represent the City in negotiating the terms and conditions for the said borrowing and in signing, executing, and delivering such as agreements, contracts, deeds, papers, and documents as maybe necessary and proper for the full and total implementation of the authority herein granted;

SECTION 2: The said priority project, herein specified as the construction of Crematorium and Columbarium Complex, is hereby certified to be a local infrastructure and/or other socio-economic development project in accordance with the approved local development plan and public investment program for the current period or Calendar Year 2021 of the City of Bacoor, Cavite.

SECTION 3: Consistent with the covering Term Loan Agreement, Assignment of Deposit With Hold Out and Control Agreement, and such as other contract or agreements as entered into or as maybe entered into by the City in connection with the borrowing, the features, terms, and conditions shall be as follows and hereby approved and ratified. Such ratification includes any and all subsequent requests by the LGU for modification/revision and/or amendment to be made on the project as well as on its approved terms and conditions in the loan agreements and security documents, and which makes the loan a statutory obligation of the LGU:

Borrower	Bacoor City, Cavite
Amount	PHP 150,000,000.00
Purpose	To finance the Construction of Crematorium & Columbarium Complex
Term	Ten (10) years, inclusive of two (2) years grace period on principal repayment.



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	Payable in 96 equal monthly amortizations, to commence at the end of the 25th month from date of initial drawdown.
Interest Rate	Fixed at 3.50% p.a. for the first 5-year period, payable monthly, commencing at the end of the 1st month from the date of initial drawdown. Interest rate shall be reviewed on the sixth year based on the prevailing market rate at the time of repricing, plus minimum applicable credit spread p.a., subject to a floor rate of 3.50% p.a. GRT for the account of the borrower.
Availability	Within two (2) years from date of signing of the loan agreement, subject to revalidation after one (1) year if no availments were made within one (1) year from date of signing of loan agreement
Security	<ol style="list-style-type: none"> 1. Assignment of the LGU's deposit with hold-out equivalent to three (3) monthly amortizations in favor of DBP until the loan is fully paid. 2. Continuing authority of the Bank to debit the deposit account of the LGU with DBP, in the event of shortfall and/or absence of funds as payment for amortization due and/ or any amount due under the covering loan and collateral documents. 3. For construction, Contractor's All Risk (CAR) Insurance coverage shall be obtained based on the estimated cost of the project when completed, endorsed in favor of DBP. After completion of the project, appropriate insurance coverage based on appraised value shall be placed through GSIS and the policy shall be endorsed in favor of DBP. 4. Execution of the Securities/ Support documents (i.e. Chattel Mortgage, Deed of Assignment of Contract Receivables, Deed of Assignment on Deposits and Control Agreement, etc.) pursuant to R.A. 11057 (Personal Property Security Act) when the system is already in place.
Conditions	<p>GENERAL LOAN CONDITIONS:</p> <ol style="list-style-type: none"> 1. Final loan amount shall be the lowest among the following: <ol style="list-style-type: none"> a. Approved Loan amount b. Winning Bid Price c. Validated Cost by DBP appraisers 2. The aggregate loan exposure to the LGU should not exceed the amount indicated in the Borrowing Capacity as certified by the DOF-BLGF. 3. The LGU shall maintain DBP as one, if not its major depository bank, where an applicable portion of the LGU's deposits shall be placed and where proceeds of the loan shall be credited. 4. Submission of a Continuing Deed of Assignment on Deposit with Hold-out Agreement equivalent to at least three (3) monthly amortizations. Both deposit assignment and hold-out shall be made until the loan is fully paid. 5. DBP shall be authorized to automatically debit any and all loan-related amortizations, fees and charges from the LGU's deposit account until full payment of the loan. This shall be covered by a Continuing Authority to Debit. 6. Project component and costs can be reallocated provided that the amount shall not be more than Php150 million or the LGU's approved Borrowing Capacity, whichever is lower. Provided further that it should be within the eligible loan purpose/ projects of the Bank subject to approval by the Bank's approving authorities. 7. Any intangibles, contingencies, and cost overruns shall be for the account of the LGU. 8. Annual insurance premium is included in the LGU's budget
Fees	<ol style="list-style-type: none"> 1. Front-end fee – Waived 2. Commitment Fee – Waived 3. Prepayment penalty – Based on breakfunding cost 4. Default Charge of 24% p.a.

SECTION 4: The City hereby appropriates the entire proceeds of the borrowing exclusively to finance the Construction of Crematorium & Columbarium Complex and other financial obligations relative thereto.



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SECTION 5: The City hereby grants its City Mayor authority to execute a letter waiving our rights to confidentiality of information by authorizing DBP, our trustee bank and all banks or financial institutions with which we have transactions to disclose to the Bangko Sentral ng Pilipinas (BSP) all information pertaining to the deposits, investments, loans or other transactions including the history or status of our dealings with said banks or financial institutions and for the BSP to make all inquiries as may be necessary regarding the same.

Furthermore, the BSP is likewise authorized to disclose and share any such information furnished or obtained from said banks or financial institutions to the Department of Finance in relation to the performance by said department of its functions.

SECTION 6: The City hereby execute the Loan Agreement, Promissory Notes, and other documents relating hereto, and specifically stating that the obligations of the LGU thereunder, as well as the terms and conditions thereof, shall be valid and binding on the LGU and shall not be subject to recall by the Sanggunian for the whole term of the loan, regardless of any change in its composition.

SECTION 7: The City hereby assigns applicable portion of the LGU's Deposit in favor of DBP until the loan is fully paid.

SECTION 8: The City hereby authorizes DBP to automatically debit on due date from the LGU's CASA deposit account with DBP, an amount equivalent to the maturing loan amortization until the loan is fully paid.

SECTION 9: The City hereby includes appropriation for debt-servicing in the LGU's annual budget in accordance with the Local Government Code until the loan is fully paid.

SECTION 10: The City hereby undertakes that it will not incur additional obligation/ indebtedness without DBP's prior consent.

SECTION 11: The City hereby maintain with DBP deposits equivalent to three (3) monthly amortizations which shall be covered by a Hold-out Agreement and maintained with the Bank for as long as the loan is outstanding.

SECTION 12: Any ordinance or parts thereof inconsistent with this enactment is hereby repealed or amended accordingly.

SECTION 13: This ordinance shall take effect upon its publication and compliance with all procedures required under Republic Act No. 7160 of an ordinance for its validity, including the affixation of signatures of the Sangguniang Panlungsod Members, in concurrence thereto, composing at least a majority thereof out of total of 14 members, on all pages of this ordinance.

SO ORDAINED / ENACTED.

RESOLVED FURTHER, that copies of this ordinance be furnished the Hon. Mayor, the City Accountant, and the City Auditor of this City of Bacoor, Cavite, the Development Bank of the Philippines, and the Bangko Sentral ng Pilipinas for their information and appropriate action.

ADOPTED this 19th day of July 2021 at the City of Bacoor, Cavite.

SANGGUNIANG PANLUNGSOD MEMBERS

DISTRICT I (BACOR WEST)	DISTRICT II (BACOR EAST)
 HON. MIGUEL N. BAUTISTA	 HON. ROBERTO L. ADVINCULA



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 HON. MICHAEL E. SOLIS	 HON. HERNANDO C. GUTIERREZ
ABSENT HON. ROWENA BAUTISTA-MENDIOLA	 HON. GAUDENCIO P. NOLASCO
 HON. ADRIELITO G. GAWARAN	 HON. LEANDRO A. DE LEON
 HON. VICTORIO L. GUERRERO, JR.	 HON. ALDE JOSELITO F. PAGULAYAN
 HON. ALEJANDRO F. GUTIERREZ	 HON. ROBERTO R. JAVIER
 HON. REYNALDO D. PALABRICA Liga ng mga Barangay President HON. MAC RAVEN ESPIRITU SK Federation President	

CERTIFIED TRUE AND CORRECT:

ATTY. KHALID A. ATEGA, JR.
Sangguniang Panlungsod Secretary

ATTESTED:

HON. CATHERINE SARINO-EVARISTO
City Vice Mayor/Presiding Officer

APPROVED:



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HON. LANI MERCADO-REVILLA
City Mayor

Date Approved: 22 JUL 2021