

THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

)
)
)
'04 JUN 30 P5:10

RECEIVED BY: *Atte*

S E N A T E

S. No. 397

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

The barangay is the smallest political unit of the government. With its direct links to constituents, the barangay stands on the frontlines in the delivery of basic services to the public.

This bill seeks to empower the barangay towards developing a key role in economic development by giving it the right of first refusal in contracts with national government agencies and local government units LGUs for the delivery of public services to its constituents.

This measure will have at least two beneficial effects: one is that it will strengthen the coordination links among the different levels of government, and its constituents, and two, it will generate employment for people at the grassroots level.

In view of the foregoing, early passage of this bill is earnestly requested.

S. Osmeña III
SERGIO OSMEÑA III
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'04 JUN 30 P5:10

RECEIVED BY:

S E N A T E

S. No. 397

Introduced by Senator S. R. Osmeña III

AN ACT

AUTHORIZING BARANGAYS TO ENTER INTO OFFICIAL CONTRACTS WITH NATIONAL GOVERNMENT AGENCIES AND LOCAL GOVERNMENT UNITS TO UNDERTAKE THE DELIVERY OF BASIC SERVICES FOR THE PURPOSE OF PROVIDING EMPLOYMENT TO BARANGAY RESIDENTS AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. **Short Title.** – This Act shall be known as the “The
2 Barangay Economic Empowerment Act of 2004.”

3 SEC. 2. **Declaration of Policy.** – It is the policy of the State to transform
4 the barangay into a self-reliant economic unit generating employment for its
5 members and actively participating in publicly funded programs intended for the
6 barangay.

7 SEC. 3. **Coverage.** - All basic services being contracted out by the
8 national government and local government units with private or public contractors
9 and which affect the barangays are covered by this Act: *Provided, however,* That
10 the amount of the basic services to be contracted out by the barangay shall not
11 be more than Five hundred thousand pesos (P500,000.00).

12 SEC. 4. **Right of First Refusal.** - The provisions o the Local Government
13 Code to the contrary notwithstanding, local government units and national
14 government agencies shall give priority to the affected barangay in contracting

1 out the delivery of basic services intended for or affecting said barangay. Such
2 barangay shall have the right of first refusal before the project is bidden out.

3 **SEC. 5. Barangay Consortium.** – In cases of projects or undertaking
4 affecting two or more barangays, the possibility of the barangays concerned
5 joining and pooling their resources together shall always be encouraged.

6 **SEC. 6. Basic Services.** – For purposes of this Act, basic services
7 programs in which the affected barangay shall have priority right to undertake,
8 shall include:

9 (a) Implementation of community-based forestry programs and similar
10 projects; management and control of communal forest with an area not exceeding
11 fifty (50) square kilometers; establishment and maintenance of tree parks, green
12 belts, and similar forest development project;

13 (b) Maintenance of community-based rehabilitation programs for
14 vagrants, beggars, and street children, scavengers, delinquents, and victims of
15 violence and drug abuse; livelihood projects;

16 (c) Solid waste disposal system or services related to general hygiene
17 and sanitation;

18 (d) Maintenance of public buildings, public parks, playground and
19 government sports facilities;

20 (e) Maintenance of roads, drainage systems, communal irrigation,
21 small water impounding and other similar projects; seawalls, dikes, flood control;
22 and street signage;

23 (f) Maintenance of public markets and slaughterhouses;

24 (g) Maintenance of public cemetery; and

25 (h) Maintenance of tourism facilities and securing such facilities.

26 **SEC. 7. Preference of Barangay Labor and Materials.** – In the event
27 that the barangay concerned is unable for any reason to participate in any project
28 within its jurisdiction and/or affecting its residents, the local government unit or

1 national government agency concerned shall exert every effort to source its labor
2 and materials from the barangay.

3 **SEC. 8. Mode of Payment.** – A certification duly executed and signed by
4 the chairman of the affected barangay and concurred in by the authorized
5 signatory for the local government unit or national agency concerned shall form
6 the basis of all claims for payment by the barangay.

7 **SEC. 9. Unlawful Act.** – Any public official who bids and/or contracts out
8 the delivery of basic services, as provided in Section 5 hereof, intended for or
9 affecting a barangay without giving the affected barangay the opportunity to
10 exercise its right of first refusal shall, upon conviction, be punished with
11 imprisonment for not less than one (1) year and one (1) day to six (6) years shall
12 be immediately dismissed from the service.

13 In addition, the public officer shall be liable to reimburse to the affected
14 barangay an amount equal to what would have been realized by the barangay
15 were it accorded its right under this Act.

16 **SEC. 10. Implementing Rules and Regulation.** – The Department of
17 Interior and Local Government shall, within ninety (90) days from the effectivity of
18 this Act, promulgate the appropriate rules and regulations for the effective
19 implementation of this Act.

20 **SEC. 11. Repealing Clause.** – All laws, decrees, orders, rules and
21 regulations and other issuances inconsistent with the provision of this Act are
22 deemed modified, revoked or repealed accordingly.

23 **SEC. 12. Effectivity.** This Act shall take effect fifteen (15) days after its
24 publication in two (2) leading newspapers of national circulation

Approved,