



EXECUTIVE ORDER NO. 2
Series of 2023

PRESCRIBING THE RULES AND REGULATIONS IMPLEMENTING PROVINCIAL ORDINANCE NO. 16-78-11-2021, ENTITLED "AN ORDINANCE ESTABLISHING THE PROVINCIAL CAPITOL FOOD COURT, SETTING THE POLICIES AND GUIDELINES FOR ITS PROPER ADMINISTRATION AND MAINTENANCE, IMPOSING FEES, OTHER CHARGES AND FIXING THE RATE OF RENTAL/LEASE ON THE USE OR OCCUPANCY OF ITS COMMERCIAL STALLS, PROVIDING PENALTIES FOR VIOLATIONS THEREOF, AND FOR OTHER RELATED PURPOSES."

Pursuant to Section 10 of Provincial Ordinance No. **16-78-11-2021, I, CORAZON N. MALANYAON, Governor of the Province of Davao Oriental**, by virtue of the powers vested in me by law, do hereby promulgate and issue the following rules and regulations governing its implementation:

RULE I

GENERAL PROVISIONS

SECTION 1. Short Title and Purpose.

These Rules, hereinafter referred to and cited as the "**Provincial Capitol Food Court (PCFC) IRR**", are promulgated to prescribe the guidelines and procedures for the effective and efficient implementation of Provincial Ordinance No. 16-78-11-2021, otherwise known as the "**Davao Oriental Provincial Capitol Food Court Ordinance**", and to ensure the achievement of its objectives.

SECTION 2. Coverage and Authority.

The provisions of this enactment shall cover the duly-approved Lessees of the PCFC of the Provincial Government of Davao Oriental, or in the case of stall vacancy, to the applicants therefor.

Pursuant to Section 468(a)(2) of Republic Act No. 7160 (Local Government Code of 1991), the Provincial Government shall, by ordinance duly approved by the Sangguniang Panlalawigan (SP), appropriate funds to construct and maintain such buildings held in a proprietary capacity, and which, upon further authorization by the SP, may be leased by the Provincial Governor to private parties for commercial purposes.

SECTION 3. Objectives.

- a. To further promote the Provincial Capitol, "the seat of the Provincial Government", as a local attraction or destination through the continuous improvement and beautification of its premises.
- b. To provide the local food service sector with decent and suitable stalls at reasonable rental rates for the conduct of their business activities.
- c. To establish and set policies, guidelines, rules and procedures for the optimum utilization and proper care of the new province-owned commercial building and its surroundings.

SECTION 4. Rules of Interpretation.

Any conflicts or controversies arising under this Ordinance shall be resolved on the basis of applicable legal provisions or jurisprudence; any fair and reasonable doubt on the powers of the Provincial Government shall be liberally interpreted/construed and resolved in such manner that ensures the fulfillment of the Davao Oriental Provincial Capitol Food Court Ordinance objectives.

RULE II

DEFINITION OF TERMS

SECTION 5. Definition of Terms.

When used in this ordinance, the following terms shall mean:

- a. Application Fee – refers to the amount collected from each applicant for the issuance of a prescribed Application to Lease Stall form.
- b. Charges – refer to any pecuniary liability, as rents or fees against persons or property.
- c. Common Use Service Area (CUSA) – refers to the hallways, dining areas, toilets, lobby, and other shared spaces of the new commercial building (PCFC) that can be used by the Lessees and their customers.
- d. Common Use Service Area (CUSA) Fee – refers to the monthly charge imposed on the Lessees of the PCFC to help defray the maintenance of the CUSA.
- e. Halal Foods/Products – refers to food or non-food products and beverages that are lawful and permissible to eat under Shari'ah or in accordance with the teachings of Islam.
- f. Leased Premise – refers to a specific stall in the new commercial building or PCFC, which was granted to a Lessee by the Provincial Government.
- g. Lessee – refers to a person who possesses a duly executed Contract of Lease that transfers, conveys, and assigns the use and occupancy of any commercial stall in the PCFC for a specified period and for a specified rent or lease, granted in his/her favor by the Provincial Government.
- h. Lessor – refers to the Provincial Government of Davao Oriental, represented by the Provincial Governor, who transfers, conveys, and assigns the use and occupancy of any commercial stall in the PCFC to a person, for a specified period and for a specified rent or lease, through a Contract of Lease duly executed in writing.
- i. Security Deposit - refers to the cash tender given by the Lessee to the Lessor as proof of intent to move in or occupy and will be used to cover and pay for damages caused by the Lessee, as well as, for any unpaid obligations like rent, electric or water bills, and other charges fixed by this Ordinance.
- j. Stall Rental Fee – refers to the amount charged to the Lessee for the use and occupancy of a stall in the PCFC.

RULE III

IMPLEMENTATION, ADMINISTRATION OF THE PCFC, AND CREATION OF THE COMPOSITE TEAM

SECTION 6. Creation and Composition of the PCFC Composite Team.

Pursuant to Section 6 of the Davao Oriental PCFC Ordinance, a Composite Team (C-Team, for brevity) shall be created as the lead coordinating body in implementing the provisions of the PCFC Ordinance, and shall supervise or manage the operation of the PCFC.

The C-Team shall have the following composition:

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|----------|--|
| Head | - Provincial Administrator's Office (PAO) |
| Members: | - Provincial General Services Offices (PGSO) |
| | - Provincial Legal Office (PLO) |
| | - Provincial Engineer's Office (PEO) |
| | - Provincial Treasurer's Office (PTO) |
| | - Local Finance Committee (LFC) |

Membership may be added/extended, if deemed necessary, upon recommendation of the incumbent members, and subject to the approval of the Provincial Governor. Reconstitution of the C-Team, if any, shall be made official through an executive *fiat*.

The C-Team shall meet on a regular basis or as often as necessary if called upon by the Team head. Schedule of meetings shall be decided upon by the members during their first meeting. The presence of at least fifty percent (50%) plus one (1) of its members shall constitute a quorum and the

affirmative vote of the majority of the members present in a meeting validly held shall be necessary for the body to carry out its duties and perform its functions. The meetings shall be presided by the head of the Team.

SECTION 7. Duties and Functions of the PCFC Composite Team.

In addition to its primary function to effectively and efficiently implement the PCFC Ordinance and to realize its objectives, the C-Team shall discharge the duties and functions as follows:

- a. Formulate and implement the policies, guidelines, rules and procedures governing activities related to PCFC operations.
- b. Receive and verify the duly executed application forms and other basic requirements submitted by applicants, then proceed to screen and evaluate the same, including the qualifications of the applicants, in accordance with the rules and procedures set forth by the Team for the purpose.
- c. Recommend the approval or disapproval of applications, to and for due consideration of, the Provincial Governor.
- d. Hear and settle legitimate grievances arising out of PCFC operations and administration.
- e. Through the Provincial Treasurer's Office (PTO), impose/collect rental fees and other charges from the Lessees.
- f. Through the Provincial General Services Office (PGSO), ensure the proper maintenance and efficient utilization of the PCFC properties, facilities and supplies.
- g. Through the Provincial Legal Office (PLO), act appropriately on violations of Lessees.
- h. Perform such other tasks and functions in order to attain the objectives of this Ordinance or as may be assigned by the Provincial Governor.

SECTION 8. Procedures in the Adjudication/Awarding of Stalls to Applicants.

To ensure the proper and orderly conduct of the adjudication/award and lease of vacant stalls in the PCFC to applicants, the C-Team shall adhere to the procedures hereby instituted, as follows:

- a. A stall in the PCFC is deemed vacant under any of the following conditions:
 - ◆ It is newly constructed and not yet leased and awarded to a qualified applicant.
 - ◆ It is declared vacant by the C-Team for the following reasons/causes:
 - Abandonment by the Lessee;
 - Violation of terms and conditions of the Lease.
 - Death of the Lessee and no immediate member of his/her family takes over.
 - Voluntary surrender by the Lessee.
- b. The Team shall cause a Notice of Vacancy of the stalls to be posted conspicuously for a period of ten (10) consecutive days to apprise the public of such vacancy and its availability for lease.
- c. All applicants for vacant stalls shall have the following minimum qualifications: (1) Filipino citizen; (2) resident of the Province of Davao Oriental; (3) of legal age; (4) good taxpayer; (5) no pending civil, criminal or administrative case; (6) physically and mentally fit. Applicants who are residents of the City of Mati and currently occupying and dispensing food services at temporary stalls in the Provincial Capitol premises shall be given preference and priority in the lease/award selection process.
- d. A non-refundable application fee of P200.00 shall be collected from each applicant, who shall be issued the prescribed Application to Lease Stall form. The duly filled up, signed and notarized application form shall be submitted to the Team by the applicant either in person or through his/her authorized representative, together with the Court, PNP and Barangay Clearances.
- e. It shall be the duty of the C-Team to keep a Registry Book showing the names and addresses of all applicants for vacant stalls, the number and description of the stalls applied for by them, and the date and hour of its receipt of their respective

applications. It shall likewise be the duty of the Team to acknowledge receipt of the application, setting forth therein the time and date of the receipt thereof.

- f. If on the last day for filing of applications there are several who meet the qualifications for preferred or priority applicants and not enough vacant stalls to accommodate them, the adjudication shall be made through drawing of lots to be conducted by the Team.
- g. The successful applicant shall furnish the C-Team two (2) copies of his/her picture (2x2 in size) immediately after the award of the lease, one copy to be affixed to the application and the other, to the record card kept for that purpose. All related documents such as Business Permit/License, BIR Clearance and such others shall be complied with by the awardee before he/she is allowed to occupy the stall.
- h. A Security Deposit in the amount of P1,000.00 shall be paid by the Awardee-Lessee upon signing of the Contract of Lease, and shall be refundable upon termination of the contract after withholding all unpaid obligations like rent, electric/water bills, and other charges, if any.
- i. An Awardee shall be entitled to only one stall. No Awardee shall be allowed to occupy stalls more than what is awarded to him/her. Failure by the Awardee to occupy a stall within sixty (60) days from the awarding thereof shall mean automatic forfeiture of the right to lease the same.
- j. Any applicant not satisfied with the adjudication made by the Team of the stall applied for by him/ her may file an appeal to the Provincial Governor. Appeals involving matters other than the adjudication of stalls shall be filed with the Provincial Governor, whose decision in such cases shall be final.

8.A. Prescribed Forms. There shall be an adopted and approved prescribed forms for the Notice of Vacancy, Application to Lease Stall and Contract of Lease to be used by the C-Team in all official transactions relative to PCFC operations. Said documents are made integral parts of this IRR as Annexes "A", "B" and "C", respectively. Amendments on said documents shall only be made by an approved Ordinance of the SP.

SECTION 9. Prohibited Acts.

The following acts are hereby prohibited within the premises of the PCFC:

- a. Cause intentional defacement, vandalism or destruction to the province-owned commercial building, properties, furniture and fixtures therein, and the like.
- b. Engage in any lewd or lascivious behavior.
- c. Make unreasonable noise, belligerent gesture or action that adversely affect the Lessees and his/her employees or helpers, customers and patrons.
- d. Possession and indiscreet display of firearms (unauthorized) and bladed weapons.
- e. Immoral transaction of any kind such as, but not limited to, prostitution, child trafficking, and the like.
- f. Possession, use, selling or doing any illegal transaction involving illegal drugs or illegal substances.
- g. Loitering, littering, urinating and defecating within the PCFC premises.
- h. Bringing of pets inside the PCFC premises.

SECTION 10. Administrative Fine.

A person guilty of violating the preceding Section shall be penalized with an Administrative Fine, as follows:

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|----------------|---|-------------------------------|
| First Offense | - | Two Hundred Pesos (P200.00) |
| Second Offense | - | Three Hundred Pesos (P300.00) |
| Third Offense | - | Five Hundred Pesos (P500.00) |

RULE IV

CONTRACT OF LEASE, AND HANDLING AND SALE OF FOODS IN THE PCFC

SECTION 11. Food and Beverages.

The main purpose of the PCFC, stated as objective b) in Sec. 3 of the ordinance, is to provide common space or area at the Provincial Capitol grounds where the local food service providers can conduct their business activities and cater to the needs of their customers. All Lessees in the PCFC are encouraged to sell cooked or manufactured food and beverages, including halal food and products, that can be availed of by the public.

At least one stall in the PCFC shall be reserved exclusively for Lessees engaged in the selling of halal products or serving of halal foods and beverages. A section in the common dining area thereof shall also be designated exclusively for halal food consumers.

SECTION 12. Contract of Lease, Terms and Conditions, and Use, Maintenance and Care of the Stalls.

Contract of Lease is the written agreement whereby the Provincial Government of Davao Oriental, as Lessor, grants possession and occupancy for a specified period and for a specified amount of any stall in the PCFC, to a person/individual who binds and accepts the same as Lessee. It contains the terms and conditions, the duties and responsibilities of the Lessor/Lessee, and the use, maintenance and care of the stalls in the PCFC (**Prescribed Form Annex "C"**).

SECTION 13. Handling and Sale of Manufactured or Cooked Foods.

- a. **Cooked Food Protection from Contamination.** Cooked food shall be served hot and at all times protected against contamination by dirt, flies and other insects.
- b. **Protection and Preservation of Food.** All food which require no further cooking shall be wrapped/covered/enclosed in containers to prevent contamination, as well as, preserve their freshness.
- c. **Use of Utensils in Handling Food.** All kinds of foods, whether cooked, prepared, raw or natural, should not be unnecessarily handled by the sellers or buyers and that cooked and prepared food should be serviced by means of fork, spoons, dippers or similar utensils, rather than by hands.
- d. **Sale of Spoiled Foods Prohibited.** The sale of any kind of spoiled foods in bad state of contamination is prohibited in the markets. All foods in the stage of decomposition shall be condemned and destroyed.
- e. **Food Servers.** All persons engaged in the sale and handling or manufacture of cooked foods, refreshment and drinks, shall at all times be neat and clean and provide themselves with hot towels and cloths for the cleaning of the tables, stalls or fixtures. Likewise, they shall always have boiling water for sterilizing, cleaning and sanitizing utensils such as knives, forks, spoons and similar objects.

RULE V

IMPOSITION, COLLECTION AND PAYMENT OF FEES.

SECTION 14. Collection of Fees by the PTO and Increase of Fee Rates.

As authorized by the Section 7 of the PCFC Ordinance, there shall be fees imposed on and collected from the Lessees for their use and occupancy of the stalls inside the PCFC, as follows:

- a. Stall Rental Fee – P50.00 per day
- b. Common Use Service Area (CUSA) Fee – P300.00 per month

The foregoing stall rental rate shall be subject to automatic increase in the succeeding (2nd) year @ P80.00 per day, and for the third (3rd) year and thereafter, at the rate equivalent to twenty percent (20%).

Fees on stall rental, CUSA, and other imposed charges shall be collected by the Provincial Treasurer's Office (PTO). The Provincial Treasurer may designate a Revenue Collector as his authorized deputy in the collection of such fees and charges, and shall issue an Official Receipt (OR) as evidence of payment of fees/ rentals.

SECTION 15. Time and Manner of Payment.

- a. **For Stall Rental Fee.** In due consideration by the Lessor to the Lessees, there shall be a free rent period of one (1) month upon effectivity of the contract, after which, it shall be payable to the Provincial Treasurer, through the authorized deputy, on a daily basis, not later than 3 o'clock every afternoon during weekdays, regardless whether business operates or not during the day.
- b. **For Common Use Service Area (CUSA) Fee.** Payable monthly to the Provincial Treasurer, through the authorized deputy, with the first payment due upon the commencement of the Contract, and on the 5th day of each month thereafter.

SECTION 16. Late Payment Penalties, Default and Possession.

There shall be imposed a surcharge of twenty-five percent (25%) of the total amount not paid on the prescribed time, over 5 days past due in the case of stall rental, and for every month of delay for the CUSA, whether consecutive or cumulative.

In the event the Lessee fails to pay the Stall Rental Fee for ten (10) consecutive days and three (3) consecutive months for CUSA, or any charges thereof, and after receiving the 30-day Notice of Collection the Lessee still has not acted on said defaults, then the parties hereto expressly agree and covenant that the Lessor may declare the Contract terminated, and may immediately re-enter and take possession of the stall, including any of the Lessee's personal properties, equipment or fixtures left on the stall. Said items may be held by the Lessor as security for the Lessee's rental and other defaults under this Contract, if the Security Deposit does not suffice in the payment thereof. It is further agreed that if the Lessee is in default, the Lessor shall be entitled to take any and all action to protect its interest in the personal properties and equipment to prevent the unauthorized removal of said properties or equipment. In addition, it is understood that the Lessor may sue the Lessee for any damages or past due rents and owing, and may undertake all and additional legal remedies available.

RULE V

GENERAL PENAL PROVISIONS

SECTION 17. Administrative Fine.

For violation of any of the prohibited acts enumerated in Section 9 of the PCFC Ordinance, the violator is correspondingly penalized with an administrative fine as authorized and fixed in the 1st paragraph, Section 11 thereof, and further delineated in Sections 9 and 10, Rule III of this IRR.

SECTION 18. Penal Clause.

Any violation of the provisions of the PCFC Ordinance by the Lessee shall be penalized by cancellation of the Contract, forfeiture of his/her previous payments, or imposed a fine of not less than One Thousand Pesos (P1,000.00) but not more than Five Thousand Pesos (P5,000.00), or imprisonment of one (1) month but not more than six (6) months. Such fine or imprisonment, or both, shall be imposed at the discretion of the Court.

RULE VI

FINAL PROVISIONS

SECTION 19. Separability Clause.

If, for any reason, any provision, section or part of this Ordinance is declared not valid by a court of competent jurisdiction, such judgment shall not affect nor impair the remaining provisions, sections, or parts which shall continue to be in full force and effect.

SECTION 20. Repealing Clause.

All other provisions of existing ordinances, resolutions and executive issuances, or parts thereof, in conflict with or inconsistent with any provisions of this Ordinance are hereby repealed, amended or modified accordingly.

SECTION 21. Special Transitory Clause.

Upon the next immediate revision or updating of the Davao Oriental Provincial Revenue Code, Section 7 of the PCFC Ordinance shall form an integral part of the Code's Chapter on Provincial Fees. In the interim, said provision on the imposition of fees and the collection thereof by the Provincial Treasurer's Office (PTO) are deemed to be in full force and effect.

SECTION 26. Effectivity.

This Implementing Rules and Regulations shall take effect immediately upon approval of the Local Chief Executive.

~~JAN 09 2023~~ DONE in the City of Mati, Davao Oriental, Philippines, this ____ day of _____ in the year of our Lord, Twenty Hundred and Twenty-Three.

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CORAZON T. NUÑEZ-MALANYAON
Governor *gm*