

Executive Order No. 2012-016

CONSTITUTING A JOINT INSPECTION TEAM AND PROVIDING MECHANISMS IN THE CONDUCT OF JOINT INSPECTION OF BUSINESS ENTERPRISES INSTEAD OF SEPARATE INDIVIDUAL INSPECTIONS:-

WHEREAS, Republic Act No. 9485 otherwise known as the Anti-Red Tape Act (ARTA), mandates all government instrumentalities and local government units to provide efficient delivery of services to the public by reducing bureaucratic red tape and preventing graft and corruption, and providing penalties therefor. The ARTA which provides for the re-engineering of current business processing systems at the local level, sets benchmarks for processing simple and complex transactions which should be applied to Business Permits and Licensing Systems nationwide;

WHEREAS, Joint Memorandum Circular No. 01, Series of 2010 of the Department of Interior and Local Government and Department of Trade and Industry enjoins all local government units to constitute Joint Inspectorate Teams to conduct joint inspection of business enterprises as required by law;

WHEREAS, the lack of personnel and coordination and conduct of separate, uncoordinated inspections by the different regulatory offices involved in the regulation of business establishments unduly cause delay in the processing/renewal of business permits/licenses and such delays do not only create an unfriendly environment for business operators but show an unsystematic and inefficient delivery of service by LGUs and national government agencies, unnecessarily opening opportunities for graft and corruption;

WHEREAS, in order to address these concerns, a Joint Inspection Team needs to be constituted to facilitate the joint interaction and cooperation of the various inspection offices and to allow them to accomplish all inspection requirements in a single moment thereby making the process faster and more efficient in terms of manpower requirements and service delivery;

NOW THEREFORE, I, JOHN G. BONGAT, Mayor of the City of Naga, by virtue of the powers vested in me by law, do hereby order the following:

Section 1. The Joint Inspection Team. In order to put together into one cooperative effort the various regulatory inspection activities of the offices involved in securing a business permit, a Joint Inspection Team is hereby constituted to be composed of the Business Permit and Licensing Officer, as Team Leader, with the

City Building Official or Representative, City Health Officer or Representative, City Planning Officer or designated Zoning Officer, City Environment and Natural Resources Officer or Representative, City Treasurer or representative, City Legal Officer or Representative and City Fire Marshal or representative, as members.

The team shall be in charge of conducting inspections of business establishments at prescribed intervals on a limited number of terms in a year.

The team shall prioritize inspection of establishments which were granted provisional permits.

Section 2. Purpose. The general purposes of the Joint Inspection Team, also inherent in the duties and responsibilities of the regulatory offices in an LGU, are the following:

- a. Ensure public safety;
- b. Protect public welfare;
- c. Verify information declared by the business operator in his application for business permit;
- d. Ensure compliance of business operations to existing laws and ordinances.
- e. Exercise of the regulatory function of the Mayor to generate local revenues thru taxes, fees and charges;
- f. Prepare inspection report which would serve as recommendation to the Mayor for disposition;
- g. Monitor developments and changes in business activity.

Although the regulatory offices are formed into a team, their respective functions do not change and are not diminished; and they should ensure that their mandated inspection concerns are met accordingly.

The team members shall be governed by the appropriate laws mandating the function of their respective offices, to wit:

CITY TREASURER’S OFFICE	Naga City Revenue Code and Revenue Code of the Philippines
CITY HEALTH OFFICE	Naga City Sanitary Code and Sanitation Code of the Philippines
CITY ENGINEER’S OFFICE	National Building Code and Accessibility Law
CITY PLANNING AND DEVELOPMENT OFFICE	Naga City Zoning Ordinance
CITY ENVIRONMENT AND NATURAL RESOURCES	Various Environmental laws and city ordinances
BUREAU OF FIRE PROTECTION	Fire Safety Code of the Philippines

Section 3. Inspection Checklist – All business establishments applying for the issuance or renewal of business permit shall be given a checklist of requirements that must be complied with for the issuance of business permit.

The Joint Inspection Team, in consultation with relevant professional groups and industry representatives, shall develop a detailed checklist of requirements for each distinct class of business or industry group. The checklist shall provide for requirements and minimum quality standards that an applicant business establishment must comply with, and shall be used to ensure that there will be no arbitrariness in the parameters used in the conduct of inspection and evaluating compliance by the applicant business establishment with the requirements for the issuance of a business permit. The evaluation parameters shall be uniformly applied to businesses falling under the same business class or industry group.

To the extent applicable, the checklists shall indicate the legal basis for the inclusion of such a requirement, such as the relevant provision of the Sanitation Code, Building Code, Fire Code, Zoning Ordinances and other applicable laws and ordinances. The checklists developed shall specifically consider all applicable requirements under the said laws and their Implementing Rules and Regulations, if any.

Section 4. Adoption of Risk-based Targeting System – The City adopts a risk-based targeting system of classification of all types of businesses in the City. The risk-based classification of a particular business shall be the primary basis for determining the level of regulation that will be imposed on the business for the enforcement of the requirements under this Executive Order.

Within sixty (60) days from the issuance date of this Executive Order, the Risk Evaluation Group composed by technical personnel from the City Engineer's Office, City Planning and Development Office, the Zoning Division in particular, Bureau of Fire Protection and City Health Office, shall formulate a business classification system that will categorize all businesses in the City into a minimum of three (3) and a maximum of five (5) risk categories (i.e., Risk Levels 1 to 5) on the basis of criteria which shall likewise be developed. The risk profile of each category shall be clearly indicated in as much detail as possible, to allow for ready classification of businesses into the appropriate category and for clear distinction between categories to exist.

The Business Permits and Licensing Division of the City Treasurer's Office and the Office of the Legal Officer shall act as the composite secretariat of the Risk Evaluation Group.

All establishments belonging to the category with the highest risk level shall be mandatorily inspected at least annually and should possess valid sanitation permits at the time of their application for a business permit, including renewals thereof. For medium-risk businesses, the conduct of sanitation inspection prior to the issuance of sanitation permit shall be made every other year provided there is no negative finding for the past two (2) years and its most recent compliance rating is higher than 75%. For low-risk businesses, prior conduct of sanitation inspection shall

be conducted once every three (3) years provided the sanitation permit issued may be revoked if upon subsequent conduct of sanitation inspection the business establishment obtains a compliance rating lower than 75%.

The primary criterion for classification shall be the nature of the business activity. Accordingly, businesses preliminarily considered under the Code on Sanitation to be critical businesses from the point of view of sanitation, shall be preliminarily considered for inclusion under the highest risk category, unless the Risk Evaluation Group can justify a lower applicable risk category. Other than the nature of the business activity, secondary classification criteria such as but not limited to the following shall likewise be identified and given consideration in the classification of a particular business establishment:

- number of employees;
- number of people the business/office deals with on a daily basis;
- the size of the office area occupied; and
- results of past inspections.

Provided, however, that the consideration of the secondary bases, taken as a whole, shall only result in no more than an increase or decrease by one (1) level in the risk level category of the business, as appropriate.

Section 5. Implementation of the Risk-based Classification – Upon the application for the issuance or renewal of a business permit, the applicant business establishment shall preliminarily be given its risk category based solely on the nature of its business. Upon the conduct of inspection undertaken under this Executive Order, the risk category of the business registrant may be adjusted accordingly based on Section 4 above. The risk category of a business shall be indicated on the face of its business permit. The risk category of a business registrant shall be evaluated not more often than once every three (3) years, unless a supervening violation, business development, or incident justifies the immediate reclassification of the business to a higher or lower risk category.

Section 6. Mission Order - The City Mayor shall issue a mission order for every inspection that will be conducted by the Joint Inspection Team. The mission order must contain the date, mission order number, the names of inspectors and their ID number, the area that will be subject to inspection, and the scheduled dates of inspection.

The deployment of two or more inspectors per member office of the team to inspect a particular business establishment shall be avoided unless justified under the circumstances and should be subject to the prior approval of the City Mayor.

The mission order must be shown to the operator of the business establishment before any inspection is conducted.

The owner or operator of the business establishment shall report to the Office of the City Mayor any inspection conducted without a mission order.

Section 7. Conduct of Inspection by the Joint Inspection Team – In the conduct of inspections, the Joint Inspection Team shall observe the following:

Uniform and Identification Card – During the conduct of the inspection, the team shall be required to wear the uniform of the office they are representing with the proper identification card.

Use of Checklist – The checklist shall be actually accomplished in the course of the inspection. In the event the checklist used by the inspectors is not customized for the specific class of business of the business establishment subject of inspection, the inspectors shall specifically indicate the items in the checklist that are not applicable to the business establishment.

The accomplished checklist shall bear the name of the inspectors, their position, signature, the time and date of inspection, and acknowledgement by the owner, operator, or manager of the applicant business establishment or his representative of (i) the conduct of inspection, (ii) the fact that the negative findings were properly explained, (iii) the period given for the business owner to remedy any negative findings, and (iv) the fact that a copy of the record of inspection was provided to them.

Other findings of the team during the conduct of inspection shall be indicated on the same checklist. Any pending matters, recommended course of action, and the period of, or deadline for compliance or remedial action shall likewise be indicated on the checklist.

The inspectors shall prepare at least two (2) copies of the duly accomplished checklist. One (1) copy of the record of inspection shall be furnished to the business establishment for its reference upon the termination of inspection. Another copy of the record of inspection shall be encoded into the Joint Inspection Team database and the said hard copy of the record of inspection shall be retained by the Team for a minimum period of five (5) years if there are no negative findings pertaining to the concerned business establishment for the past five (5) years and ten (10) years if there are negative findings.

Section 8. Period to Remedy – Whenever a record of inspection indicates non-compliance with certain items on the checklist, the Team shall notify in writing the applicant business establishment, through its owner, operator or manager of the corrections to be made with an indication of a reasonable period to remedy the same which period shall in no case be less than ten (10) calendar days.

Section 9. The team shall, through the City Legal Office, recommend to the Office of the City Mayor appropriate action against non-compliant business establishments.

Section 10. Assistance from the Naga City Police Office and Public Safety Office. The team may call upon the assistance of the Philippine National Police through the Naga City Police Office and Public Safety Office in the conduct of its inspection activities.

Section 11. Logistical Support. Offices/Departments/Agencies comprising the team shall, in order to promote efficiency and economy, pool their resources such as equipment, vehicles and personnel in conducting inspections.

Section 12. Effectivity. This Executive Order shall be effective immediately.

Issued this 20th day of July, 2012 at Naga City, Philippines.

JOHN G. BONGAT
City Mayor

Attested by:

FLORENCIO T. MONGOSO, JR., CSEE
Department Head II and Acting City Administrator