



BIDS AND AWARDS COMMITTEE

RECOMMENDING RENEWAL OF THE LEASE CONTRACT

(Resolution No. 2023-072)

WHEREAS, Purchase Request No. 202305154 for the **LEASE OF OFFICE SPACES FOR THE SECURITIES AND EXCHANGE COMMISSION DAVAO EXTENSION OFFICE (SEC-DEO)** with approved budget for the contract in the amount of **FOUR MILLION FOUR HUNDRED SIXTY THOUSAND PESOS (Php 4,460,000.00)**;

WHEREAS, provided under Section V.D. 9 (d) of Annex H of the 2016 IRR of RA 9184 Renewal of Contract of Lease of Real Property provides:


"i. Prior to the expiration of the lease contract, the end-user of the procuring entity must conduct a cost-benefit analysis of the lease. For instance, it must compare the rental rates charged by its lessor against other lessors in the area. It must also analyze whether entering into a new contract will be more expensive taking into consideration the cost of transfer and accessibility to the public. In assessing the existing lease, Pes are encouraged to consult relevant government agencies regarding any new policy or directive in the lease of real property.

ii. If the results of the CBA, conducted by the end-user, continue to favor the existing lessor, then the Head of Procuring Entity (HoPE) may simply contract in accordance with Section 53.10 of the IRR of RA 9184 and this guideline. For efficiency and economy, during the effectivity of the contract or upon its renewal, the Procuring Entity may consider the expansion or reduction of the space provided by the existing lessor, provided that the leased premises can accommodate the space requirements of the PE in case of expansion, based on the need of the PE and the best way by which such need may be addressed and satisfied, subject to existing budgeting, accounting and auditing rules."

WHEREAS, in its cost-benefit analysis, the SEC-DEO, concluded that:

1. SOUTHDEV CORPORATION's renewal amount is ₱3,733,213.18/yr. at ₱402.60 per square meter (VAT exclusive). Based on the market study conducted, this is the lowest compared to other lessors that submitted their quotations namely: Duke & Duchess Realty & Development Corp. at ₱450.00 per square meter (VAT exclusive) and Prime Philippines at ₱500.00 per square meter (VAT exclusive);
2. Savings on moving-in cost is approximately ₱257,000.00 – which covers hauling cost, painting, partitions, installation of electrical and cable wirings, lighting fixtures, and air conditioning units, and other expenses;
3. There will be no disruption of the Commission's services to the public;
4. It is a prime location and is more convenient to the transacting public in terms of accessibility and transportation. It is nearer to bus and van terminals, thus convenient to clients from other areas outside Davao City;
5. Possible damages or loss of the records and equipment due to office transfer would be avoided.

WHEREAS, the conditions set under the RA 9184 for the renewal of Lease of Space for SEC Davao Extension office were therefore met;

NOW THEREFORE, foregoing considered, the Bids and Awards Committee **RESOLVES** to recommend to the Head of the Procuring Entity/Authorized Representative the **Renewal of Lease of Space for SEC Davao Extension Office** for the total contract price of **FOUR MILLION ONE HUNDRED EIGHTY-ONE THOUSAND ONE HUNDRED NINETY-EIGHT AND 76/100 PESOS (Php 4,181,198.76) VAT inclusive** 

RESOLVED, this 8th day of May 2023 at SEC Headquarters, Makati Avenue, Salcedo Village, Bel-Air, 1209 Makati City, Philippines.

OLIVER O. LEONARDO
Vice-Chairman


DAISY B. PABUAYA
Regular Member


MARCELO Q. RABARA
Provisional Member


LESTER PAUL N. OBON
Provisional Member


ARMANDO A. PAN, JR.
Chairman

Approved / Disapproved:


FILBERT CATALINO F. FLORES III
*Head of the Procuring Entity /
Authorized Representative*
Date: _____
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