



BIDS AND AWARDS COMMITTEE

RECOMMENDING RENEWAL OF THE LEASE CONTRACT
(Resolution No. 2023-179)

WHEREAS, Purchase Request No. 202312361 for the **LEASE OF OFFICE SPACES FOR THE SECURITIES AND EXCHANGE COMMISSION BACOLOD EXTENSION OFFICE (SEC-BACEO)** with approved budget for the contract in the amount of **NINE HUNDRED FIFTY THOUSAND PESOS (Php 950,000.00)**;

WHEREAS, provided under Section V.D. 9 (d) of Annex H of the 2016 Implementing Rules and Regulations (IRR) of Republic Act No. 9184 (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-BACEO office concluded that:

1. The amount of renewal contract with the current lessor of office space, Redkey Real State Service and Development (Redkey), at ₱739,200.00 or ₱ 308.00 per square meter with an escalation of 10% from the current contract cost of ₱672,000.00 is still the most advantageous to the Securities and Exchange Commission (SEC) as the lowest rate compared to other lessors based on the market survey conducted, where it is stated that the average cost of monthly rental for office spaces in Bacolod City is at ₱364.50 per square meter, inclusive of city services and taxes;
2. The proposed additional space of 55 square meter requested by SEC-BACEO approved by the *Commission En Banc* on 23 November 2023 (Annex A) amounting to a total of ₱203,280.00 or ₱ 308.00 per square meter that shall be included in renewal contract;
3. Redkey, owned by Mr. Vincent P. Ong, a privately-owned real property, has the lowest lease rate within the vicinity. The current space is strategic, has high public accessibility, above-average security, and still sufficient space for personnel and files, and is the location of SEC-BACEO since 2018;
4. SEC services will not be disrupted since Redkey is the current lessor; and
5. SEC will not incur moving/ transfer cost.

WHEREAS, the conditions set under the RA 9184 for the renewal of Lease of Space for SEC Bacolod 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 Bacolod Extension Office with additional space of 55 square meter**, for the total contract price of **NINE HUNDRED FORTY-TWO THOUSAND FOUR HUNDRED EIGHTY PESOS (Php 942,480.00) VAT inclusive.**

RESOLVED, this 7th day of December 2023 at The SEC Headquarters, Makati Avenue, Salcedo Village, Bel-Air, 1209 Makati City, Philippines.


OLIVER O. LEONARDO
Vice-Chairman

MARLON LESTER M. CANTOR
Provisional Member


DAISY B. PABUYA
Regular Member


LESTER PAUL N. OBON
Provisional Member


ARMANDO A. PAPAN
Chairman

Approved / Disapproved:


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

Date: _____
/tj