



BIDS AND AWARDS COMMITTEE

RECOMMENDING RENEWAL OF THE LEASE CONTRACT

(Resolution No. 2024-002)

WHEREAS, Purchase Request No. 202302061 for the **LEASE OF SPACES FOR THE SECURITIES AND EXCHANGE COMMISSION OFFSITE WAREHOUSE** with approved budget for the contract in the amount of SIX MILLION NINE HUNDRED THIRTY THOUSAND PESOS (Php 6,930,000.00);

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 OFFSITE WAREHOUSE, concluded that:


1. The amount of renewal contract with the current lessor of warehouse space, PTFC REDEVELOPMENT CORPORATION (PTFC), at ₱583,645.60 or ₱347.76 per square meter with an escalation from the current contract cost of ₱563,908.80 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 warehouse spaces in Metro Manila is at ₱439.25 per square meter, inclusive of city services and taxes;
2. SEC services will not be disrupted since PTFC is the current lessor; and
3. SEC will not incur moving/ transfer cost.

4. Quantitative Data

Considering the quantitative data given, choosing to renew the current lease is the least costly option. Please see attached CBA for the justification.

Thus, retaining PTFC as lessor still proves to be the more beneficial and cost-efficient option for the Commission at this time; and

5. Qualitative Considerations


A qualitative drawback of transferring to another warehouse that we find hard to quantify would be the time CRMD dedicates to the physical organization of a new warehouse, a function that is outside regular duties which may disrupt the regular function of the department such as the retrieval and tracing of the original documents. 

WHEREAS, the conditions set under the RA 9184 for the renewal of Lease of Space for the SEC OFFSITE WAREHOUSE 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 OFFSITE WAREHOUSE**, this renewal of Contract of Lease shall be for a period of eleven (11) months, for the total contract price of **SIX MILLION FOUR HUNDRED TWENTY THOUSAND ONE HUNDRED ONE PESOS AND 71/100 (Php 6,420,101.71) VAT inclusive.**


RESOLVED, this 5th day of January 2024 at The SEC Headquarters, Makati Avenue, Salcedo Village, Bel-Air, 1209 Makati City, Philippines.


OLIVER O. LEONARDO
Vice-Chairman

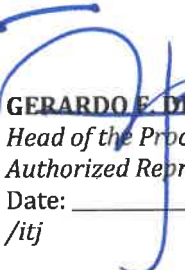

DAISY B. PABUYA
Regular Member


MARLON LESTER M. CANTOR
Provisional Member


LESTER PAUL N. OBON
Provisional Member


ARMANDO A. PAN, JR.
Chairman

Approved / Disapproved:


GERARDO E. DEL ROSARIO
*Head of the Procuring Entity /
Authorized Representative*
Date: _____
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