



BIDS AND AWARDS COMMITTEE

RECOMMENDING RENEWAL OF THE LEASE CONTRACT

(Resolution No. 2024-065)

WHEREAS, the Purchase Request No. 202403124 for the **LEASE OF OFFICE SPACES FOR THE SECURITIES AND EXCHANGE COMMISSION BAGUIO EXTENSION OFFICE (SEC-BEO)** with approved budget for the contract in the amount of **TWO MILLION THREE HUNDRED SIXTEEN THOUSAND PESOS (Php 2,316,000.00)**;

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-BEO concluded that:


1. Goldencrown Group Realty Inc. (Goldencrown), the current lessor of SEC-BEO's office spaces, offers the renewal amount of ₱2,315,250.00 at ₱669.00 per square meter. This is with an escalation of 5% from the current contract cost ₱2,205,000.00. This is the lowest rental rate compared to the prevailing average monthly rental for office spaces in Baguio which is at ₱744.32 per square meter, exclusive of city services and taxes.
2. SEC-BEO services will not be disrupted and it will not incur moving and transfer costs since Goldencrown is its current lessor.
3. Goldencrown is in prime location and more convenient to the transacting public in terms of accessibility, banking needs and proximity to other government offices, namely NEDA, NTC, DICT, LTO and LTFRB.

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

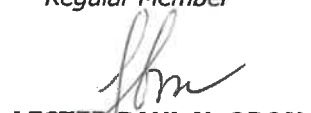
NOW THEREFORE, foregoing considered, the Bids and Awards Committee **RESOLVES** to recommend to the Head of the Procuring Entity/Authorized Representative the **Renewal of Lease of Space for SEC Baguio Extension Office** for the total contract price of **TWO MILLION THREE HUNDRED FIFTEEN THOUSAND TWO HUNDRED FIFTY PESOS (Php 2,315,250.00) VAT inclusive.**

RESOLVED, this 25th day of March 2024 at 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:

VHINCENT G. CAÑARES
*Head of the Procuring Entity /
Authorized Representative*
Date: 3/25/24
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