



BIDS AND AWARDS COMMITTEE



RECOMMENDING RENEWAL OF THE LEASE CONTRACT

(Resolution No. 2024-066)

WHEREAS, Purchase Request No. 202403126 for the **LEASE OF OFFICE SPACES FOR THE SECURITIES AND EXCHANGE COMMISSION CEBU EXTENSION OFFICE (SEC-CEBEO)** with an approved budget for the contract in the amount of **NINE MILLION FIVE HUNDRED THOUSAND PESOS (Php 9,500,000.00)**;

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-CEBEO office, concluded that:

1. The renewal of lease with APPLEONE PROPERTIES, INC., is more advantageous to the government considering the reasonableness of the cost and accessibility to the transacting public.
2. SEC services will not be disrupted since APPLEONE PROPERTIES, INC., is the current lessor.
3. SEC will not incur moving/ transfer cost.

WHEREAS, the cost schedule area as follows:

- a. Monthly Rate with VAT plus Common Use Service Area (CUSA) = P782,812.80 x 12 months = **P9,393,753.60**
- b. Security deposit /advance payment without CUSA = Monthly rate inclusive of VAT: P698,544.00 x 3 months = P2,095,632.00

WHEREAS, the conditions set under the RA 9184 for the renewal of Lease of Space for SEC Cebu 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 Cebu Extension Office**, for the total contract price of **NINE MILLION THREE HUNDRED NINETY-THREE THOUSAND SEVEN HUNDRED FIFTY-THREE AND 60/100 PESOS (Php 9,393,753.60) inclusive of VAT**.

RESOLVED, this 26th day of April 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: 4/26/24
/itj