



DEPARTMENT OF FOREIGN AFFAIRS
KAGAWARAN NG UGNAYANG PANLABAS

BIDS AND AWARDS COMMITTEE

BAC Resolution No. HO-311-23

RESOLUTION RECOMMENDING, BY REFERENDUM, AWARD OF CONTRACT THROUGH NEGOTIATED PROCUREMENT UNDER 53.10 (LEASE OF REAL PROPERTY/VENUE) FOR THE LEASE OF THE TEMPORARY DFA HEADQUARTERS AND OTHER INCIDENTAL COSTS

WHEREAS, the Department of Foreign Affairs (“DFA”) is set to retrofit its Main Building to address, among others, (i) the building’s structural conditions that have become health issues, (ii) the Notice to Comply from the Bureau of Fire Protection on the installation of Automatic Fire Suppression System and Stair Pressurization, and, (iii) the need to fully comply with the Energy Efficiency and Conservation Act;

WHEREAS, the DFA, through the Office of Asset Management and Support Services (“OAMSS”) as the end-user, intends to lease a real property as a temporary headquarters during the retrofitting of the DFA Main Building starting on FY 2024 due to the scope of the retrofitting so as to ensure continued delivery of public service;

WHEREAS, OAMSS submitted the request for procurement of Lease of Temporary DFA Headquarters and Other Incidental Costs dated 15 September 2023 with the following attached documents:

1. Indicative Annual Procurement Plan (APP)
2. Certificate of Availability of Budget (CAB)
3. Draft Request for Proposal (RFP)
4. Multi-Year Contractual Authority (MYCA)
5. Terms of Reference (TOR) with Table of Rating Factors
6. Certification of no available government-owned real property within the area that complies with the requirements of the end-user
7. Market study/Cost-benefit analysis identifying area and prevailing market price

WHEREAS, Sec. 53.10 of the 2016 Revised Implementing Rules and Regulations (“IRR”) of Republic Act (“RA”) No. 9184, otherwise known as the “Government Procurement Reform Act of 2003”, allows Negotiated Procurement as a mode of procurement for the lease of privately owned real property for official use, subject to the Consolidated Guidelines for the Alternative Methods of Procurement (“Annex H of the Revised IRR”);

WHEREAS, Item No. (V)(D)(9)(b)(ii), Annex H of the Revised IRR provides that the location of the real property to be leased should have been meticulously selected by the Procuring Entity after taking into consideration, among others, the need for prudence and economy in government service and the suitability of the area in relation to the mandate of the office, and its accessibility to its clients;

WHEREAS, Negotiated Procurement under Sec. 53.10 of the Revised IRR allows the DFA to select a building that is suitable to the mandate of the office;

WHEREAS, the Negotiated Procurement under Sec. 53.10 of the Revised IRR for the Lease of Temporary DFA Headquarters and Other Incidental Costs has an Approved Budget for the Contract (“ABC”) of *Two Billion and Six Hundred Twenty Million Pesos* (PhP 2,620,000,000.00) only, is included in the Department’s Indicative Annual Procurement Plan (“APP”) for FY 2024;

WHEREAS, BAC Resolution no. HO-219-23 dated 11 October 2023 and BAC Resolution no. HO-259-23 dated 07 November 2023 declared a failure of bidding for the procurement of Lease of Temporary DFA Headquarters and Other Incidental Costs;

WHEREAS, the end-user shortlisted potential lessors for compliance with Item No. (V)(D)(9)(b)(ii), Annex H of the Revised IRR, namely: DD Tower Inc., SM Prime Holdings, Inc., Federal Land, Inc. and Aseana Holdings, Inc.;

WHEREAS, in compliance with Item No. (V)(D)(9)(c)(i)(a), Annex H of the Revised IRR, separate Requests for Proposals (“RFPs”) were sent to at least three (3) potential lessors—DD Tower Inc., SM Prime Holdings, Inc., Federal Land, Inc. and Aseana Holdings, Inc.—on 08 November 2023;

WHEREAS, on 15 November 2023, in response to the solicitation of offers, a single proposal was received from **DD Tower, Inc.** in the amount of *One Billion Nine Hundred Eighty – Three Million Five Hundred Fifty – Three Thousand Seven Hundred Thirty – Three Pesos and 40/100* (PhP 1,983,553,733.40) only;

WHEREAS, in compliance with item (V)(D)(9)(c)(i)(b), Annex H of the Revised IRR, the Technical Working Group (“TWG”) reviewed and evaluated the proposal of **DD Tower, Inc.** in accordance with the technical specifications and the reasonableness of its price quotation in accordance with the methodology prescribed in Appendix B;

WHEREAS, the TWG submitted its report on the technical review of the project, Procurement of the Lease of the temporary DFA Headquarters, dated 22 November 2023;

WHEREAS, after careful deliberation and due diligence by the TWG, **DD Tower, Inc.** was able to pass with a total rating score of Eighty – Three point Nine Percent (83.9%);

WHEREAS, item (V)(D)(9)(b)(iii) of Annex H of the Revised IRR provides that rental rates should be within the prevailing market rates for lease of real property or venue with the same or similar condition or classification and located within the vicinity;

WHEREAS, the base rental rate offered by **DD Tower, Inc.** is One Thousand One Hundred Fifty pesos (PhP 1,150.00) only per square meter per month is deemed within the reasonable range based on the Cost Benefit Analysis and Market Study submitted by end-user;

NOW, THEREFORE, we, the Members of the Bids and Awards Committee of the Department, RESOLVE to RECOMMEND to the Head of the Procuring Entity (“HoPE”) to declare **DD Tower, Inc.** as the Single Calculated and Responsive Quotation for the Lease of Temporary DFA Headquarters and Other Incidental Costs, subject to the abovementioned requirements, and provided that existing accounting and auditing rules and regulations shall be strictly observed by the end-user.

ADOPTED, this 23rd day of November 2023, Pasay City.


SULPICIO M. CONFIADO
BAC Chairperson


ARVIC V. AREVALO
BAC Vice Chairperson


ALEX O. VALLESPIN
BAC Member


NOEL L. RODRIGUEZ
BAC Member


MARCO FREDERICK B. HARDER
BAC Provisional Member


SIEGFRIED T. MASANGKAY
BAC Alternate Member


CATHERINE F. ALPAY
BAC Alternate Member


PATRICK JOHN U. HILADO
End-User Representative

Approved:

By the Authority of the Secretary for Foreign Affairs:


ANTONIO A. MORALES
Undersecretary
and Head of the Procuring Entity