



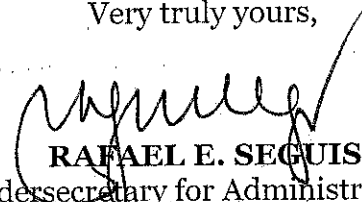
**NOTICE OF AWARD**

10 March 2014

Madam:

Please be informed that, upon the recommendation of the Bids and Awards Committee (BAC) of the Department as contained in its Resolution No. 76-13, the Department of Foreign Affairs is awarding the Contract for the ***Lease of a Privately-Owned Real Property as a Staff House for the official use of the Regional Consular Office – Pampanga for the period 01 May 2014 to 31 30 April 2015***, to you, ***Ms. Lucia B. David***, in the amount of ***Eleven Thousand Pesos only per month (Php 11,000.00/mth)***, inclusive of all taxes and other lawful charges, subject to the signing of the Contract.

Very truly yours,

  
**RAFAEL E. SEGUIS**  
Undersecretary for Administration  
and Head of the Procuring Entity

**MS. LUCIA B. DAVID**  
No. 8 Hi-way Purok I,  
Sta. Cruz, Porac  
Pampanga

*f 6/2/14*



**NOTICE OF AWARD**

10 March 2014

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Very truly yours,

A handwritten signature in black ink, appearing to read "Rafael E. Seguis".

**RAFAEL E. SEGUIS**

Undersecretary for Administration  
and Head of the Procuring Entity

**MS. LUCIA B. DAVID**  
No. 8 Hi-way Purok I,  
Sta. Cruz, Porac  
Pampanga



**BIDS AND AWARDS COMMITTEE**

**BAC Resolution No. 197 -13**

**RESOLUTION RECOMMENDING NEGOTIATED PROCUREMENT (LEASE OF REAL PROPERTY) AS AN ALTERNATIVE METHOD OF PROCUREMENT FOR THE LEASE OF PRIVATELY-OWNED REAL PROPERTY TO BE OFFICIALLY USED AS OFFICE SPACE AND/OR STAFF HOUSES OF VARIOUS REGIONAL CONSULAR OFFICES (RCOs) OF THE DEPARTMENT**

**WHEREAS**, the Office of Consular Affairs (OCA) through the Regional Consular Office Coordinating Center (RCOCC) requests for the procurement for the lease of privately-owned real properties to be used as office space and staff houses of the various Regional Consular Offices (RCOs) of the Department for CY 2014;

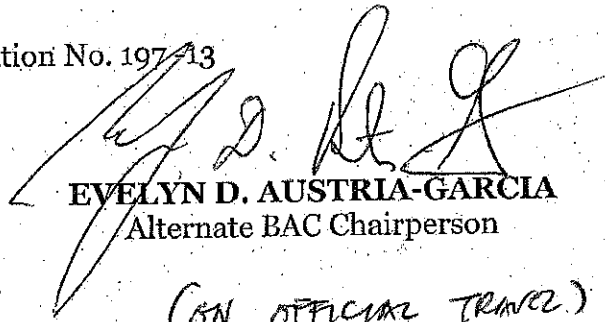
**WHEREAS**, Sec. 53.10 of the Revised Implementing Rules and Regulations of R.A. 9184 allows Negotiated Procurement as mode of procurement for the lease of privately owned real property and venue for official use, subject to GPPB Resolution No. 08-2009 (Revised Implementing Guidelines for Lease of Privately-Owned Real Estate and Venue) issued by the Government Procurement Policy Board (GPPB) dated 03 November 2009;

**WHEREAS**, GPPB Resolution No. 08-2009 requires the end-user unit (1) to conduct a Cost-Benefit Analysis; (2) to recommend the lease of the privately-owned real estate of venue, indicating the proposed location/s, justification and the result of the market analysis of the prevailing rates of lease of contracts within the vicinity of the selected location/s; (3) to include in the Department's Annual Procurement Plan the proposed lease of real estate or venue, the approved mode of procurement, the ABC, and the general description of the lease; (4) to validate that the lessor to be awarded the contract is technically, legally and financially capable through other means; and (5) to request the posting in the Philippine Government Electronic Procurement System (PhilGEPS) for lease of contracts with an Approved Budget costing of more than Fifty Thousand Pesos (Php 50,000.00);

**WHEREAS**, GPPB Resolution No. 08-2009 further provides that the end-user unit shall invite at least three (3) prospective Lessors to submit price quotations and accomplish the Table of Rating Factors (Appendix A and B for Lease of Real Estate) and (Appendix C for the Lease of Venue) and determine the Lowest Calculated Responsive Bid (LCRB) to which the contract is to be awarded;

**NOW THEREFORE**, we the members of the Bids and Award Committee of the Department, **RESOLVE** to **RECOMMEND** to the Head of Procuring Entity (HOPE) the resort to Negotiated Procurement (Lease of Real Property) as alternative mode of procurement for the lease of privately-owned real properties to be used as office space and staff houses of the Regional Consular Offices (RCOs) of the Department for CY 2014, subject to the above requirements and provided that existing auditing rules and regulations shall be strictly observed by the end-user.

**ADOPTED** this 18<sup>th</sup> day of November 2013, Pasay City.



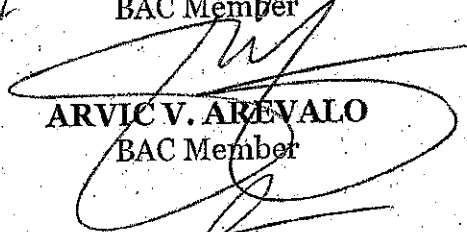
**EVELYN D. AUSTRIA-GARCIA**  
Alternate BAC Chairperson

*(ON OFFICIAL TRAVE)*

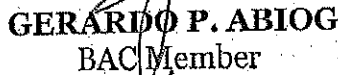
**JOSE VICTOR CHAN-GONZAGA**  
BAC Vice-Chairman



**SHIRLEY E. BANQUICIO**  
BAC Member



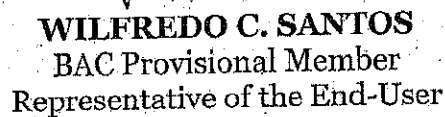
**ARVIC V. AREVALO**  
BAC Member



**GERARDO P. ABIOG**  
BAC Member

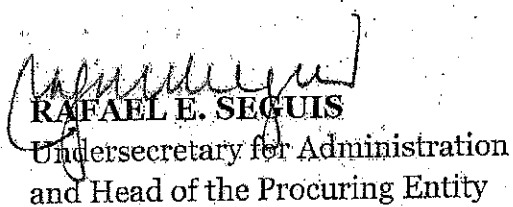


**BERTRAND THEODOR L. SANTOS**  
BAC Member



**WILFREDO C. SANTOS**  
BAC Provisional Member  
Representative of the End-User

Approved:  
By the Authority of the Secretary of Foreign Affairs:



**RAFAEL E. SEGUIS**  
Undersecretary for Administration  
and Head of the Procuring Entity

**NOTICE OF AWARD**

10 March 2014

Madam:

Please be informed that, upon the recommendation of the Bids and Awards Committee (BAC) of the Department as contained in its Resolution No. 76-13, the Department of Foreign Affairs is awarding the Contract for the **Lease of a Privately-Owned Real Property as a Staff House for the official use of the Regional Consular Office – Pampanga for the period 01 May 2014 to 31 April 2015**, to you, **Ms. Lucia B. David**, in the amount of **Eleven Thousand Pesos only per month (Php 11,000.00/mth)**, inclusive of all taxes and other lawful charges, subject to the signing of the Contract.

Very truly yours,

**RAFAEL E. SEGUIS**

Undersecretary for Administration  
and Head of the Procuring Entity

**MS. LUCIA B. DAVID**  
No. 8 Hi-way Purok I,  
Sta. Cruz, Porac  
Pampanga

Sr. Sp. Asst. N. Servigon \_\_\_\_\_  
BAC Chairman E.D. Austria-Garcia \_\_\_\_\_  
BAC Vice-Chairman J.V.Chan-Gonzaga \_\_\_\_\_  
BAC Members: - E.C. Yulo \_\_\_\_\_  
G.P. Abiog \_\_\_\_\_  
G.B. Musor \_\_\_\_\_  
B.T.L. Santos \_\_\_\_\_

End-user Representative:  
Asst. Sec. W.C. Santos \_\_\_\_\_

BAC Secretariat:  
Head - A.O. Vallespin \_\_\_\_\_  
A. De Asis-Del Mundo \_\_\_\_\_  
S.P. Toledo \_\_\_\_\_  
G.C. Fernandez \_\_\_\_\_



OFFICE OF FISCAL MANAGEMENT

MEMORANDUM FOR THE UNDERSECRETARY FOR ADMINISTRATION

Cc : The Assistant Secretary, OLA  
The Assistant Secretary, OCA  
The Assistant Secretary, OPAS

From :   
**DOMINGO P. NOLASCO**  
Assistant Secretary

Subject : Renewal of Lease Contract for RCO Pampanga's Staff House

Date : 27 February 2014

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With reference to OUA memorandum dated 24 February 2014 and OLA memorandum dated 18 February 2014, on the renewal of the Contract of Lease for RCO Pampanga's Staff House for the two-year period 01 May 2014 to 30 April 2016, OFM interposes no objection to the said renewal with a rental rate of P11,000.00 per month.

For the Undersecretary's consideration.



OFFICE OF THE UNDERSECRETARY FOR ADMINISTRATION

MEMORANDUM

TO : The Assistant Secretary, OPAS  
The Assistant Secretary, OFM  
The Assistant Secretary, OLA

FROM :

  
RAFAEL E. SEGUIS  
Undersecretary

SUBJECT :

Renewal of Contract of Lease for RCO Pampanga's Staff House

DATE :

24 February 2014

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The Office of the Undersecretary for Administration endorses for your Offices' comments and review, RCO Pampanga's request contained in ZPAM-129-2014 dated 11 February 2014 for the renewal of the contract of lease of its Staff House.

OUA would appreciate receiving your inputs on or before 28 February 2014.

Department of Foreign Affairs  
Office of Personnel and Administrative Services  
[OPAS]

[OPAS Offices]

- Executive Director
- Personnel Management Division
- Administrative Services Division
- Honorary Consul & Service Attaché Division
- Central Records Division
- Property Maintenance & Transportation Division
- Disbursing Unit
- Medical Clinic
- Administrative Officer

[OTHER Offices]: \_\_\_\_\_

- For Action
- For Comment
- For Info/File/Reference

REMARKS: For Mr. Arviz  
→ Arenalos OUA

1. Matrix of comparison shows a <sup>similarly</sup> 2-bedroom apt @ Php 10,000/mo at Villa del Sol.
2. Contract states 4-bedroom @ lease rate of Php 11,000.
3. If a 4-bedroom apt will comfortably house <sup>all</sup> our staff, then OPAS has no objection to the renewal. It is noted that there was no increase from last year's rent.

MELITA S. STA. MARIA-THOMECZEK  
Assistant Secretary

DATE: FEB 25 2014

*Mm*



<b>ORIGINAL TO</b>	
<b>O U A</b>	
<b>ACTION OFFICE</b>	
<b>CC</b>	<b>O C A</b> <b>O F M</b> <b>O P A S</b>
	Received by .....
	Date & Time .....


TO: OUA  
 CC: OCA-RCOCC, OFM, OPAS, OLA  
 FR: DFA-RCO Pampanga  
 RE: Extension of the Lease Contract of Staff House  
 DT: 11 February 2014  
 CN: ZPAM- 129 -2014

This has reference to OUA's CIR-254-OUA-2014 dated 04 February 2014 relative to expiry of Lease Contract of RCO Pampanga's staff house.

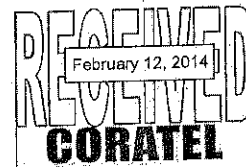
Despite diligent efforts to locate a more suitable staff house, this office was unsuccessful. However, the staff house presently occupied by the undersigned is reasonable enough considering the cost implication of the rental and security concern. Accessibility, proximity, security and cost of rental are the factors that were considered in RCO Pampanga's recommendation to negotiate with the owner for the extension of the Lease Contract.

Consonant with Department Circular 01-07 and GPPB Resolution No. 08-2009, attached are copies of documentary requirements for Leases of RCO Staff House.

For the consideration of the Honorable Undersecretary.

  
**ROWEL G. GARCIA**  
 Officer-in-Charge

*Attachments: as stated*



**5. Cost benefit analysis**

<b>Source of Funding</b>	DFA, MOOE Allotment for Staff house rental
<b>New Lease Rates</b>	Lease rate is same as the old rate PhP 11, 000.00 inclusive of VAT withheld
<b>Relocation Expenses</b>	None
<b>Cost of Refurbishment</b>	None considering the leased premises is bare
<b>Cost of Refurbishment of Property</b>	Recently Refurbished at owner's expense
<b>Security Deposit</b>	None considering previous security deposit

**6. Consistency of the Lease Contract with the Model Lease Contract**

Attached Draft Contract of Lease is Consistent with previous Contract duly approved by the Office of the Undersecretary for Administration (OUA) with favorable recommendations of the Office of Legal Affairs (OLA) OPAS & OFM.

7. **REPAIRS:** The Lessee shall maintain, during the lifetime of this Contract, and shall return the Leases premises at the end of this Contract, in the same condition as these were at the start of the Lease Period, except those damaged by reasonable use and wear and tear, fortuitous event or other cause beyond the control of the Lessee.

The Lessor shall make prior arrangements with the Lessee should the former decide to have repair work done at the Leased Premises. In case part of the Leased Premises is damaged due to a fortuitous event or a cause beyond the control of the Lessee, the latter may choose to exercise his right to pre-terminate this Contract in accordance with paragraph 3, or request a proportional reduction in the rental, or suspend the lease and withhold payment of the rental, pending completion of the repair of the damage at the expense of the Lessor.

In case the Leased Premises are totally destroyed or become uninhabitable due to a fortuitous event, this Contract shall be considered as terminated.

8. **IMPROVEMENTS, ADDITIONS AND ALTERATIONS:** The Lessee shall not make or allow any permanent improvements, additions or alterations to be made in or to the Leased Premises without the written consent of the Lessor. All alterations, additions or improvements, except movable furniture put in at the expense of the Lessee, shall be the property of the Lessor without any obligation on its part to indemnify the Lessee for the cost and value of the same and shall remain in and be surrendered with the Leased premises upon the expiration of the Contract without hindrance, molestation or injury.
9. **CARE OF THE PREMISES:** The Lessee shall abide by the Terms and Conditions of this Contract and shall comply with all national law, municipal ordinances and other regulations relative to the maintenance of the Leased Premises, such as sanitation, water supply, gas, electrical installation, fire prevention and similar matters, materials which may deemed to be fire hazards, such as gasoline, kerosene, camphene, burning fluids or other explosive or combustible materials and not to tolerate nor permit any nuisance on the premises, which may annoy the neighbors. Any damage to the leased premises beyond normal wear and tear, or due to the negligence of the Lessee shall be for the personal account of the Lessee.
10. **LEGITIMATE USE OF THE PREMISES:** The Lessee binds itself to use the Leased Premise only and exclusively for residential purposes. The Lessee shall not tolerate nor permit any person to use the Leased Premises for any purpose calculated to injure the reputation thereof or that of the neighboring property, nor for any purpose in violation of Philippine law, or ordinance of the City of San Fernando, Pampanga, nor for any immoral or unlawful purposes, nor for any trade, business or occupation that will in any way be disreputable, offensive or immoral.
11. **RIGHT OF ENTRY FOR INSPECTION:** The Lessee agrees that the Lessor or his agents with written authorization may be allowed, during reasonable hours, entry into the Leased Premises for the purpose of inspecting the condition of the same or to verify the compliance by the Lessee with the terms and conditions of this Contract.
12. **CONTINUED ENFORCEMENT:** The terms and conditions contained in this contract shall not be considered as charged, altered, modified or in any way amended by acts of or tolerance on the part of the Lessor, unless such changes, alterations, modifications or amendments are agreed upon by the parties in a supplemental contract.
13. **ASSIGN AND SUCCESSORS:** This Contract shall be binding upon and inure to the benefits of the parties hereto and their successors-in-interest.
14. **ARBITRATION CLAUSE:** In case of dispute or disagreement arising out of or by reason of or in connection with any term or condition of this Contract, the same shall be submitted to mediation or conciliation proceedings pursuant to Republic Act 9285.
15. **SEPARABILITY CLAUSE:** If any term or condition of this Contract is declared contrary to law, the other provisions not covered by such declaration shall remain valid and in force. The parties hereby agree to amend or modify any term or condition, which has been declared as contrary to law in order to comply with the relevant laws.
16. **AMENDMENT:** The terms and conditions of this contract may not be changed or modified in any way, except by written instrument signed by the parties or their authorized representatives.
17. **KEYS:** Upon termination of this Contract, the Lessee shall immediately turn over to the Lessor all keys and duplicates of the Leased Premises.

Address: Redwood Street, Villa del Sol Subdivision, City of San Fernando, Pampanga

A 2-storey residential house with a floor area of 150 sq. m. with 4 bedrooms.

Estimated Construction Cost	:	PHP 18,000/sq.m.
Depreciation	:	20% (Good condition)
Capitalization Rate	:	10% (Variable based on bank rate)
Factor Value	:	80

**Computation Based on Observed Depreciation**

Reproduction Cost	=	Estimated Construction Cost x (1 – Depreciation Rate)
	=	PHP18,000/sq.m. x (1 - .20)
	=	PHP14,400/sq.m.
Formula Rate	=	Reproduction Cost x Monthly Capitalization Rate
	=	PHP 14,400/sq.m. x (0.10x12)
	=	PHP 14,400/sq.m. x (.0083)
	=	PHP 119.52 sq.m.
Rental Rate	=	Formula Rate x Factor Value
	=	PHP 119.52/sq.m. (.80)
	=	PHP 95.61/sq.m. /m
Rentable Area	=	190 sq.m.
Monthly Rental =		Rentable Area x Rental Rate
	=	190 sq.m. x PHP 95.61/sq.m./m
	=	PHP18,165.90
Asking Price	=	PHP 11,000.00

**OFFICE OF THE UNDESECRATARY FOR ADMINISTRATION**

EXTERNAL ROUTING Control No:	Date Released	INTERNAL ROUTING	Initial	Date Received	Date Released	Control Number
<input type="checkbox"/> OSEC- CHIEF COORD		SENIOR SPECIAL ASSISTANT		2/27		
<input type="checkbox"/> ASEAN		<input type="checkbox"/> NOEL SERVIGON				
<input type="checkbox"/> ASPAC		BFSA/PROPCOM/OPAS/PSB/POLICY OFFICES				
<input type="checkbox"/> BFSE		SPECIAL ASSISTANT				
<input type="checkbox"/> CDU		<input type="checkbox"/> LINE OFFICES/OP/PISU/CDU/OIS/OCA/SPECIAL PROJECTS		03/03		
<input type="checkbox"/> CMISD		<input type="checkbox"/> WG/PRAISE/QUIER/IAS/OSPPC/EDU/ECBSG				
<input type="checkbox"/> DLLU		<input type="checkbox"/> PMO/PROPCOM/CMISD				
<input type="checkbox"/> FSI		PRINCIPAL ASSISTANT				
<input type="checkbox"/> IAS		<input type="checkbox"/> SPECIAL CONCERNS/UUMWA/OUSOC/OIG/PP/DLA				
<input type="checkbox"/> OAA		PROPCOM(Contract)		2/27		
<input type="checkbox"/> OCA		<input type="checkbox"/> CAR REFLECTING/DFM/BAC/SCN/BFSA/GAD				
<input type="checkbox"/> OCO		ASSISTANT				
<input type="checkbox"/> OEA		<input type="checkbox"/> ADMINISTRATIVE OFFICER				
<input type="checkbox"/> OFM		<input type="checkbox"/> S.S.A. ASSISTANT				
<input type="checkbox"/> OIS		<input type="checkbox"/> USEC SECRETARY				
<input type="checkbox"/> OLA		<input type="checkbox"/> USEC ASSISTANT				
<input type="checkbox"/> OMEAA		<input type="checkbox"/> PROTOCOL OFFICER				
<input type="checkbox"/> OP		<input type="checkbox"/> PROPERTY OFFICER				
<input type="checkbox"/> OPAS		<input type="checkbox"/> BFSA/OPAS/DLA/PSB				
<input type="checkbox"/> OSPPC		<input type="checkbox"/> PROPCOM/PMO/ CAR-REF				
<input type="checkbox"/> QUIER		<input type="checkbox"/> LINE OFFICES/OCA				
<input type="checkbox"/> UUMWA		<input type="checkbox"/> SPECIAL PROJECTS				
<input type="checkbox"/> OUR		<input type="checkbox"/> GOOD GOVERNANCE				
<input type="checkbox"/> OUSOC		<input type="checkbox"/> ECBSG				
<input type="checkbox"/> PISU		<input type="checkbox"/> OUSOC/OIG/PP/UUMWA				
<input type="checkbox"/> TCCP		<input type="checkbox"/> SCN/OFM/BAC				
<input type="checkbox"/> UNESCO		RECORDS SECTION				
<input type="checkbox"/> UNIO		<input type="checkbox"/> RECORDS OFFICER				
<input type="checkbox"/> WPSC		<input type="checkbox"/> SDQ/RECORDS ASSISTANT				
		<input type="checkbox"/> RECORDS CLERK(INCOMING FROM VARIOUS OFFICES)				
		<input type="checkbox"/> RECORDS CLERK(INTER-OFFICE COMMUNICATIONS)				
PRIORITY STATUS:		<input type="checkbox"/> DRAFT REPLY	<input type="checkbox"/> FOR ACTION	<input type="checkbox"/> RELEASE SEE ME	<input type="checkbox"/> LETS DISCUSS	
<input type="checkbox"/> EXTREMELY URGENT	<input type="checkbox"/> VERY URGENT	<input type="checkbox"/> FOR RECOMMENDATION	<input type="checkbox"/> FOR COMMENT	<input type="checkbox"/> FOR STUDY	<input type="checkbox"/> FOLLOW UP ACTION	
<input type="checkbox"/> URGENT	<input type="checkbox"/> AAA	<input type="checkbox"/> FOR INFO	<input type="checkbox"/> FOR FILE			
REMARKS:		USEC REMARKS:				
DATE: FEB 27 2014		RAFAEL E. SEGUIS Undersecretary				



OFFICE OF LEGAL AFFAIRS

**URGENT**

MEMORANDUM FOR THE UNDERSECRETARY, OUA

A handwritten signature in black ink, appearing to read "Eduardo Jose A. De Vega".

FROM : **EDUARDO JOSE A. DE VEGA**  
*Assistant Secretary*

SUBJECT : Renewal of Lease Contract for RCO Pampanga's Staff House

DATE : 27 February 2014

---

With reference to the OUA Memorandum on the subject, which was received on 25 February 2014, OLA wishes to provide a copy of its Memorandum dated 18 February 2014 on the suggested revisions for the draft lease contract.

Enclosure/s: As stated.



OFFICE OF LEGAL AFFAIRS

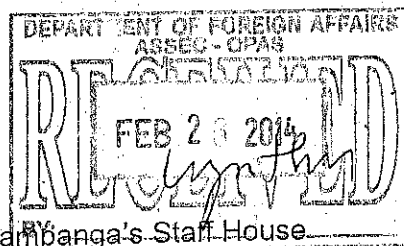
**URGENT**

MEMORANDUM FOR THE ASSISTANT SECRETARY, OCA *W/O 2-26-14*

Cc: OFM / OPAS  
*82/26*

*Eduardo J. de Vega*

FROM: EDUARDO JOSE A. DE VEGA  
Assistant Secretary



SUBJECT: Draft Lease Contract of DFA-San Fernando, Pampanga's Staff House

DATE: 18 February 2014

With reference to the OCA Memorandum on the subject, which was received on 18 February 2014, attached is a revised draft lease contract based on the model contract of lease for property in the Philippines (OLA Memorandum dated 23 December 2013).

OLA defers to OFM on the DBM/COA requirements for multi-year obligations, which may apply to the subject lease covering the two-year period from 01 May 2014 to 30 April 2016.

Enclosure/s: As stated.

# CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This **CONTRACT OF LEASE** (hereinafter the "**Contract**") made and entered into on 01 May 2014 in the City of San Fernando, Pampanga, Philippines by and between

**SPS. ALEXANDER E. DAVID and LUCIA B. DAVID**, (hereinafter, the **Lessor**) both of legal age, Filipino citizen, and with address at P.O. Box 504067, Asperdido Road, Saipan, CNMI, USA, represented herein by Ma. Luisa B. Pineda, of legal age and with residential address at No. 8 Hi-way Purok I, Sta. Cruz, Porac, Pampanga, Philippines as evidenced by a Special Power of Attorney dated \_\_\_\_\_, attached herein as Annex A and made an integral part of this Contract

AND

The **DEPARTMENT OF FOREIGN AFFAIRS**, (hereinafter, the **Lessee**) with principal office located at 2330 Roxas Blvd., Pasay City, herein represented by **MR. ROWEL G. GARCIA**, Officer-in-Charge of the Department of Foreign Affairs-Regional Consular Office (RCO) in San Fernando City, Pampanga, pursuant to the authorization issued by the DFA.

WITNESSETH:

WHEREAS, the above named **Lessor** is the absolute owner of a residential house at Villa del Sol Subdivision, San Fernando City, Pampanga, which is covered by TCT No. 508684-R under the name of spouses Alexander E. David and Lucia B. David;

WHEREAS, the **Lessee** intends to lease the said property for its use as staff house of the RCO-San Fernando, Pampanga in accordance with Bids and Awards Committee (BAC) Resolution No. \_\_\_\_\_ adopted on \_\_\_\_\_, attached herein as ANNEX B and Notice of Award dated \_\_\_\_\_, attached herein as ANNEX C:

**NOW, THEREFORE**, for and in consideration of the foregoing, the Parties to this **Contract** have agreed on the following terms and conditions:

- 1. LEASED PREMISES:** The **Lessor**, by virtue of this **Contract**, transfers in favor of the **Lessee**, possession of the property located at Redwood Street, Villa del Sol Subdivision, San Fernando City, Pampanga and more particularly described as a four-bedroom house (hereinafter referred to as the **Leased Premises**).
- 2. LEASE PERIOD:** The period of this **Contract** shall be for two (2) years beginning on 01 May 2014 and ending on 30 April 2016, and renewable thereafter based on the written mutual agreement executed later by the Parties herein. The notice of intent to renew must be made in writing at least ninety (90) days before the expiration of this **Contract**.
- 3. PRE-TERMINATION:** The **Lessee** may terminate this **Contract** for any cause before its expiration by notifying the **Lessor** in writing at least thirty (30) days prior to the intended date of termination without need of judicial intervention. In case the **Lessee** pre-



terminates this Contract, he shall pay the Lessor an amount equivalent to one (1) month rental as liquidated damages, unless the pre-termination is due to a fortuitous event or a cause beyond the control of the Lessee. The Lessor shall return to the Lessee the unused portion of the advance rental and the security deposit, less the outstanding expenses and charges for the account of the Lessee.

4. **RENTAL:** The monthly rental of the **Leased Premises** shall be ELEVEN THOUSAND PESOS (Php11,000.00) per month, including Expanded Value Added Tax, excluding charges for utilities, and payable within the first five days of the month without the need for demand. The monthly rental shall not be increased during the lifetime of this Contract.
5. **TAXES:** The **Lessor** hereby assumes to pay all kinds and forms of taxes arising from this **Contract**, but not those arising from the activities and operations of the **Lessee**.
6. **EXPENSES FOR THE ACCOUNT OF THE LESSEE:** The charges for water, electricity, telephone and other utilities at the **Leased Premises** shall be for the personal account of the **Lessee**.

If the **Lessee** fails to comply with the conditions contained herein and the **Lessor** shall be compelled to do or at his option shall do any act which requires payment of money, then the sums paid or required to be paid, with all expenses, interest, and penalties shall be refunded by the **Lessee** to the **Lessor** on demand.

7. **REPAIRS:** The **Lessee** shall maintain, during the lifetime of this **Contract**, and shall return the **Leased Premises** at the end of this **Contract**, in the same condition as these were at the start of the **Lease Period**, except those damaged by reasonable use and wear and tear, fortuitous event or other cause beyond the control of the **Lessee**.

The **Lessor** shall make prior arrangements with the **Lessee** should the former decide to have repair work done at the **Leased Premises**. In case part of the **Leased Premises** is damaged due to fortuitous event or a cause beyond the control of the **Lessee**, the latter may choose to exercise his right to pre-terminate this **Contract** in accordance with Paragraph 3, or request a proportional reduction in the rental, or suspend the lease and withhold payment of the rental pending completion of the repair of the damage at the expense of the **Lessor**.

In case the **Leased Premises** are totally destroyed or become uninhabitable due to a fortuitous event, this **Contract** shall be considered as terminated.

8. **IMPROVEMENTS, ADDITIONS AND ALTERATIONS:** The **Lessee** shall not make or allow any permanent improvements, additions, or alterations to be made in or to the **Leased Premises** without the written consent of the **Lessor**. All alterations, additions, or improvements, except movable furniture put in at the expense of the **Lessee**, shall be the property of the **Lessor** without any obligation on its part to indemnify the **Lessee** for the cost and value of the same, and shall remain in and be surrendered with the **Leased Premises** upon the expiration of the **Contract** without hindrance, molestation, or injury.
9. **CARE OF PREMISES:** The **Lessee** shall abide by the terms and conditions of this **Contract** and shall comply with all national law, municipal ordinances, and other regulations regarding the care and maintenance of the **Leased Premises**, such as sanitation, water supply, gas, electrical installation, fire prevention, and similar matters, and materials which are fire hazard, such as gasoline, kerosene, camphene, burning fluids, or other explosive or combustible materials, and not to create nor tolerate nor permit any nuisance on the premises, which may annoy the neighbors. Any damage to

the **Leased Premises** beyond normal wear and tear, or due to the negligence of the **Lessee** shall be for the account of the **Lessee**.

10. **LEGITIMATE USE OF PREMISES:** The **Lessee** binds itself to use the **Leased Premises** only and exclusively for residential purposes. The **Lessee** shall not tolerate nor permit any person to use the **Leased Premises** for any purpose calculated to injure the reputation thereof or that of the neighboring property, nor for any purpose in violation of Philippine law or ordinance of San Fernando City, Pampanga, nor for any immoral or unlawful purpose, nor for any trade, business, or occupation that will in any way be disreputable, offensive, or immoral.
11. **RIGHT OF ENTRY FOR INSPECTION:** The **Lessee** agrees that the **Lessor** or his agents with written authorization may be allowed, during reasonable hours, entry into the **Leased Premises** for the purpose of inspecting the condition of the same or to verify the compliance by the **Lessee** with the terms and conditions of this **Contract**.
12. **CONTINUED ENFORCEMENT:** The terms and conditions contained in this **Contract** shall not be considered as changed, altered, modified, or in any way amended by acts or tolerance on the part of the **Lessor**, unless such changes, alterations, modifications, or amendments are agreed upon by the Parties in a supplemental contract.
13. **ASSIGNS AND SUCCESSORS:** This **Contract** shall be binding upon and inure to the benefit of the Parties hereto and their assigns and successors-in-interest.
14. **ARBITRATION CLAUSE:** In case of dispute or disagreement arising out of or by reason of or in connection with any term or condition of this **Contract**, the same shall be submitted to mediation or conciliation proceedings pursuant to Republic Act 9285.
15. **SEPARABILITY CLAUSE:** If any term or condition of this **Contract** is declared contrary to law, the other provisions not covered by such declaration shall remain valid and in force. The Parties hereby agree to amend or modify any term or condition, which has been declared as contrary to law in order to comply with the relevant laws.
16. **AMENDMENT:** The terms and conditions of this **Contract** may not be changed or modified in any way, except by a written instrument signed by the **Parties** or their authorized representatives.
17. **KEYS:** Upon termination of this **Contract**, the **Lessee** shall immediately turn over to the **Lessor** all keys and duplicates of the **Leased Premises**.

IN WITNESS WHEREOF, the Parties hereto have signed this instrument on this \_\_\_\_\_ day of \_\_\_\_\_ 2014 in the City of San Fernando, Pampanga, Philippines.

DEPARTMENT OF FOREIGN AFFAIRS  
REGIONAL CONSULAR OFFICE

By: MR. ROWEL G. GARCIA  
Officer-in-Charge  
DFA-RCO San Fernando, Pampanga

ALEXANDER E. DAVID & LUCIA B. DAVID  
Lessor

SIGNED IN THE PRESENCE OF

ACKNOWLEDGMENT

Republic of the Philippines )  
City of San Fernando, Pampanga) s.s.

BEFORE ME, a NOTARY PUBLIC for and in the City of San Fernando, Pampanga, Philippines, on this \_\_\_ day of \_\_\_\_\_ personally appeared Ma. Luisa B. Pineda, (Atty-in-Fact of Alexander E. David and Lucia B. David) and Rowel G. Garcia known to me to be the same persons who executed the foregoing **Contract**, consisting of four (4) pages including the Annexes attached thereto and the page on which this Acknowledgment is written, all pages of which have been signed by the Parties and their witnesses, and who acknowledged to me that the same is their free and voluntary act and deed.

NAME	ID No.	PLACE OF ISSUE	DATE OF ISSUE

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, on the day, year and place above written.

NOTARY PUBLIC

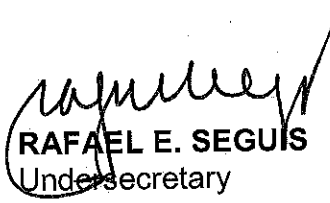
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Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.



**OFFICE OF THE UNDERSECRETARY FOR ADMINISTRATION**

**MEMORANDUM**

**TO :** The Assistant Secretary, OPAS  
The Assistant Secretary, OFM  
The Assistant Secretary, OLA

**FROM :**   
**RAFAEL E. SEGUIS**  
Undersecretary

**SUBJECT :** Renewal of Contract of Lease for RCO Pampanga's Staff House

**DATE :** 24 February 2014

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The Office of the Undersecretary for Administration endorses for your Offices' comments and review, RCO Pampanga's request contained in ZPAM-129-2014 dated 11 February 2014 for the renewal of the contract of lease of its Staff House.

OUA would appreciate receiving your inputs on or before **28 February 2014**.

<b>ORIGINAL TO</b>		
<b>O U A</b>		
<b>ACTION OFFICE</b>		
<b>CC</b>	<b>O C A</b>	..... Received by .....
	<b>O F M</b>	..... Date & Time .....
	<b>O P A S</b>	

TO: OUA  
 CC: OCA-RCOCC, OFM, OPAS, OLA  
 FR: DFA-RCO Pampanga  
 RE: Extension of the Lease Contract of Staff House  
 DT: 11 February 2014  
 CN: ZPAM- 129 -2014

This has reference to OUA's CIR-254-OUA-2014 dated 04 February 2014 relative to expiry of Lease Contract of RCO Pampanga's staff house.

Despite diligent efforts to locate a more suitable staff house, this office was unsuccessful. However, the staff house presently occupied by the undersigned is reasonable enough considering the cost implication of the rental and security concern. Accessibility, proximity, security and cost of rental are the factors that were considered in RCO Pampanga's recommendation to negotiate with the owner for the extension of the Lease Contract.

Consonant with Department Circular 01-07 and GPPB Resolution No. 08-2009, attached are copies of documentary requirements for Leases of RCO Staff House.

For the consideration of the Honorable Undersecretary.

  
**ROWEL G. GARCIA**  
 Officer-in-Charge

*Attachments: as stated*



**5. Cost benefit analysis**

<b>Source of Funding</b>	DFA, MOOE Allotment for Staff house rental
<b>New Lease Rates</b>	Lease rate is same as the old rate PhP 11, 000.00 inclusive of VAT withheld
<b>Relocation Expenses</b>	None
<b>Cost of Refurbishment</b>	None considering the leased premises is bare
<b>Cost of Refurbishment of Property</b>	Recently Refurbished at owner's expense
<b>Security Deposit</b>	None considering previous security deposit

- 6. Consistency of the Lease Contract with the Model Lease Contract**  
Attached Draft Contract of Lease is Consistent with previous Contract duly approved by the Office of the Undersecretary for Administration (OUA) with favorable recommendations of the Office of Legal Affairs (OLA) OPAS & OFM.

7. **REPAIRS:** The Lessee shall maintain, during the lifetime of this Contract, and shall return the Leases premises at the end of this Contract, in the same condition as these were at the start of the Lease Period, except those damaged by reasonable use and wear and tear, fortuitous event or other cause beyond the control of the Lessee.

The Lessor shall make prior arrangements with the Lessee should the former decide to have repair work done at the Leased Premises. In case part of the Leased Premises is damaged due to a fortuitous event or a cause beyond the control of the Lessee, the latter may choose to exercise his right to pre-terminate this Contract in accordance with paragraph 3, or request a proportional reduction in the rental, or suspend the lease and withhold payment of the rental, pending completion of the repair of the damage at the expense of the Lessor.

In case the Leased Premises are totally destroyed or become uninhabitable due to a fortuitous event, this Contract shall be considered as terminated.

8. **IMPROVEMENTS, ADDITIONS AND ALTERATIONS:** The Lessee shall not make or allow any permanent improvements, additions or alterations to be made in or to the Leased Premises without the written consent of the Lessor. All alterations, additions or improvements, except movable furniture put in at the expense of the Lessee, shall be the property of the Lessor without any obligation on its part to indemnify the Lessee for the cost and value of the same and shall remain in and be surrendered with the Leased premises upon the expiration of the Contract without hindrance, molestation or injury.
9. **CARE OF THE PREMISES:** The Lessee shall abide by the Terms and Conditions of this Contract and shall comply with all national law, municipal ordinances and other regulations relative to the maintenance of the Leased Premises, such as sanitation, water supply, gas, electrical installation, fire prevention and similar matters, materials which may deemed to be fire hazards, such as gasoline, kerosene, camphene, burning fluids or other explosive or combustible materials and not to tolerate nor permit any nuisance on the premises, which may annoy the neighbors. Any damage to the leased premises beyond normal wear and tear, or due to the negligence of the Lessee shall be for the personal account of the Lessee.
10. **LEGITIMATE USE OF THE PREMISES:** The Lessee binds itself to use the Leased Premise only and exclusively for residential purposes. The Lessee shall not tolerate nor permit any person to use the Leased Premises for any purpose calculated to injure the reputation thereof or that of the neighboring property, nor for any purpose in violation of Philippine law, or ordinance of the City of San Fernando, Pampanga, nor for any immoral or unlawful purposes, nor for any trade, business or occupation that will in any way be disreputable, offensive or immoral.
11. **RIGHT OF ENTRY FOR INSPECTION:** The Lessee agrees that the Lessor or his agents with written authorization may be allowed, during reasonable hours, entry into the Leased Premises for the purpose of inspecting the condition of the same or to verify the compliance by the Lessee with the terms and conditions of this Contract.
12. **CONTINUED ENFORCEMENT:** The terms and conditions contained in this contract shall not be considered as charged, altered, modified or in any way amended by acts of or tolerance on the part of the Lessor, unless such changes, alterations, modifications or amendments are agreed upon by the parties in a supplemental contract.
13. **ASSIGN AND SUCCESSORS:** This Contract shall be binding upon and inure to the benefits of the parties hereto and their successors-in-interest.
14. **ARBITRATION CLAUSE:** In case of dispute or disagreement arising out of or by reason of or in connection with any term or condition of this Contract, the same shall be submitted to mediation or conciliation proceedings pursuant to Republic Act 9285.
15. **SEPARABILITY CLAUSE:** If any term or condition of this Contract is declared contrary to law, the other provisions not covered by such declaration shall remain valid and in force. The parties hereby agree to amend or modify any term or condition, which has been declared as contrary to law in order to comply with the relevant laws.
16. **AMENDMENT:** The terms and conditions of this contract may not be changed or modified in any way, except by written instrument signed by the parties or their authorized representatives.
17. **KEYS:** Upon termination of this Contract, the Lessee shall immediately turn over to the Lessor all keys and duplicates of the Leased Premises.

**Address: Redwood Street, Villa del Sol Subdivision, City of San Fernando, Pampanga**

**A 2-storey residential house with a floor area of 150 sq. m. with 4 bedrooms.**

Estimated Construction Cost	:	PHP 18,000/sq.m.
Depreciation	:	20% (Good condition)
Capitalization Rate	:	10% (Variable based on bank rate)
Factor Value	:	80

**Computation Based on Observed Depreciation**

Reproduction Cost	=	Estimated Construction Cost x (1 - Depreciation Rate)
	=	PHP18,000/sq.m. x (1 - .20)
	=	PHP14,400/sq.m.
Formula Rate	=	Reproduction Cost x Monthly Capitalization Rate
	=	PHP 14,400/sq.m. x (0.10x12)
	=	PHP 14,400/sq.m. x (.0083)
	=	PHP 119.52 sq.m.
Rental Rate	=	Formula Rate x Factor Value
	=	PHP 119.52/sq.m. (.80)
	=	PHP 95.61/sq.m. /m
Rentable Area	=	190 sq.m.
Monthly Rental	=	Rentable Area x Rental Rate
	=	190 sq.m. x PHP 95.61/sq.m./m
	=	PHP18,165.90
Asking Price	=	PHP 11,000.00