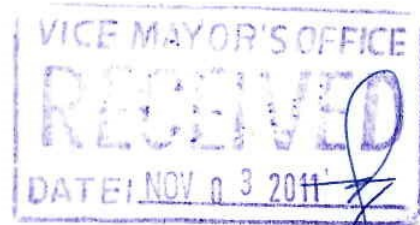




REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE TWELFTH
SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT THE
SANGGUNIANG PANLUNGSOD SESSION HALL,
ORMOC CITY HALL BUILDING
ON OCTOBER 27, 2011

PRESENT:

Hon. Claudio P. Larrazabal,	City Councilor, Presiding Officer "Pro-Tempore"
Hon. Rolando M. Villasencio,	(Acting Vice Mayor)
	City Councilor, Minority Floor Leader
Hon. Filomeno P. Maglasang,	(Acting Majority Floor Leader), City Councilor
Hon. Jose C. Alfaro, Jr.,	City Councilor
Hon. Sotero M. Pepito,	City Councilor
Hon. Rafael C. Omega, Jr.,	City Councilor
Hon. Antonio M. Codilla,	Ex-Officio City Councilor
	Chapter President, Liga ng mga Barangay ng Ormoc
Hon. Corinne M. Corro,	Ex-Officio City Councilor, SK Federation President

ON OFFICIAL BUSINESS:

Hon. Nepomuceno P. Aparis I,	(Acting City Mayor), Vice Mayor & Presiding Officer
Hon. Ruben R. Capahi,	(O.B. – Malacañang), City Councilor, Majority Floor Leader
Hon. Demosthenes F. Tugonon,	(O.B. – Malacañang), City Councilor

ABSENT:

Hon. Mario M. Rodriguez,	(On Leave), City Councilor, Assist. Minority Floor Leader
Hon. Lea Doris C. Villar,	(On Leave), City Councilor, Assist. Majority Floor Leader

EXPLANATORY NOTE

With the inauguration, occupancy, and transfer of city government offices and operations to the **New ORMOC City Hall**, the **EXECUTIVE BUILDING** and the **LEGISLATIVE BUILDING**, which are both strategically and ideally located in proximity to both the Ormoc Plaza, Ormoc City Bus Terminal, and even the Ormoc City Superdome, have now been vacated and already declared as **PATRIMONIAL PROPERTIES** per **SP Resolution No. 2011-078** dated **April 14, 2011**.

In the interest of ensuring that these properties and structures are devoted to full, productive, and beneficial use for the benefit of the City Government of Ormoc, they have been deemed fit and proper to be offered for lease, through **COMPETITIVE PUBLIC BIDDING**, to interested natural and juridical persons in accordance with guidelines set forth in this Ordinance and as will be further specified in the corresponding **Contract/s of Lease** and other related and indispensable documents and guarantees to be executed.

In addition, due and proper consideration shall also be given to other significant factors and standards such as, but not limited to, the nature or character of the business or enterprise of the prospective lessee/s, as well as their duly-established and substantiated financial capacity to meet the financial obligations of such lease. Furthermore, the competitiveness of the bid shall be determined not only based on compliance with all the documentary requirements and guarantees hereinafter set forth but also with the over-all benefits that will accrue to the City of Ormoc in accordance with its present and prospective plans and programs during the period or duration of the lease.

The **City Government of Ormoc**, being a body politic and corporate, is vested with requisite political and corporate powers in accordance with **Section 15 of Republic Act No. 7160**, otherwise known as the **Local Government Code**;

In relation to the dual nature of the powers and functions of the *City Government of Ormoc*, as aforesated, it is likewise empowered to engage in such activities lawful and proper, to generate financial resources and create sources of revenue in accordance with *Section 18* of the *Local Government Code*;

It is eminently proper and necessary to set forth the policies and guidelines to ensure the effective and efficient lease and viability of the former **EXECUTIVE BUILDING** and the **LEGISLATIVE BUILDING**;

WHEREFORE, FOREGOING PREMISES CONSIDERED, on motion of City Councilor Sotero M. Pepito, Chairman, Committee on Economic Enterprises, severally seconded by City Councilors Rafael C. Omega, Jr., Filomeno P. Maglasang, Jose C. Alfaro and Antonio M. Codilla; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to enact:

ORDINANCE NO. 169

AN ORDINANCE ESTABLISHING THE POLICIES AND GUIDELINES FOR THE LEASE OF THE FORMER EXECUTIVE AND LEGISLATIVE BUILDINGS OF THE CITY GOVERNMENT OF ORMOC.

BE IT ORDAINED BY THE 12th Sangguniang Panlungsod ng Ormoc, in session assembled that –

SECTION 1. This ORDINANCE shall be hereafter known and cited as the “**ORDINANCE GOVERNING THE LEASE OF THE FORMER EXECUTIVE AND LEGISLATIVE BUILDINGS OF THE CITY GOVERNMENT OF ORMOC**”.

SECTION 2. The buildings to be leased are the vacated **EXECUTIVE** and **LEGISLATIVE BUILDINGS** of the **City Government of Ormoc** which are located adjacent to the waterfront facing Ormoc Bay, bounded by Iñaki Larrazabal Avenue, Navarro Street, and Burgos Street, and denominated in this ORDINANCE as the **EXECUTIVE BUILDING** and the **LEGISLATIVE BUILDING**.

SECTION 3. The parties to the **CONTRACT OF LEASE** that will be executed and implemented in accordance with this ORDINANCE shall be the *City Government of Ormoc*, which shall be designated as the **LESSOR**, and the qualified and successful bidder/s for the lease of the subject buildings, who shall be designated as the **LESSEE**.

SECTION 4. The two-storey **EXECUTIVE BUILDING** has a total floor area of **SEVEN HUNDRED FOUR (704) Square Meters** and the two-storey **LEGISLATIVE BUILDING** also has a total floor area of **SEVEN HUNDRED FOUR (704) Square Meters**. In addition, there are also parking spaces around the said structures which, while not included in the leased area and for the use of the general public, may be utilized by the eventual lessee/s and their customers and clients.

SECTION 5. The subject structures shall be offered for lease through **COMPETITIVE PUBLIC BIDDING** with the paramount consideration being accorded to the highest competitive and qualifying bid. Furthermore, the acceptability of the bid shall be evaluated not only based on compliance with all the documentary requirements and financial security guarantees hereinafter set forth but also in consideration of the over-all benefits that will accrue to the *City Government of Ormoc* in accordance with its plans and programs during the period or duration of the lease. Likewise, the recommendations of the duly-authorized committees and consultative bodies of the *City Government of Ormoc* which have been or will hereafter be tasked to study the viability and utilization of **EXECUTIVE BUILDING** and the **LEGISLATIVE BUILDING** shall also be considered in the determination of the final award to interested and qualified bidders.

As far as may be applicable, the operational procedures outlined in Republic Act No. 9184 for the conduct of public bidding may be adopted. The adoption of such procedures or processes, or the resort to alternative processes, shall be subject to the paramount authority granted to the **Head of Agency** in accordance with Section 7 of Executive Order No. 301, Series of 1987.

SECTION 6. **General Terms and Conditions of the Bid** – Any interested bidder, which may be a natural or juridical person, shall submit compliant and qualified bids for the lease of either the **ENTIRE EXECUTIVE BUILDING** only, or of the **ENTIRE LEGISLATIVE BUILDING** only, or for the lease of **BOTH BUILDINGS** in their **ENTIRETY**, subject to the following terms and conditions, to wit:

SECTION 6.1. The initial period of the **CONTRACT OF LEASE** shall not exceed a period of **TEN (10) YEARS**. Upon the expiration of the **CONTRACT OF LEASE**, the same may be renewed for the same duration between the **LESSOR** and the existing **LESSEE** subject to the mutual agreement of the **PARTIES**. During the period of the **CONTRACT OF LEASE**, the **LESSOR** shall have the right to conduct a **PERIODIC** review of the compliance by the **LESSEE** of its terms and conditions.

SECTION 6.2. For purposes of determining the highest competitive and qualifying bid and the **MONTHLY RENTAL RATE**, the **Minimum Competitive Bidding Rate (MCBR)** shall be **TWO HUNDRED PESOS (P200.00) PER SQUARE METER**.

SECTION 6.3. The **LESSEE** shall not assign, encumber, or in any other manner transfer the **CONTRACT OF LEASE**, or any portion thereof, or any rights or obligations arising therefrom, without the **PRIOR WRITTEN CONSENT** of the **LESSOR** and subject to the limitations imposed in and by the provisions of this **ORDINANCE**.

SECTION 6.4. Subject to the requirements set forth in **Section 6.3.** above, the **LESSEE** shall have the right to sub-lease the same during the effectivity of the **CONTRACT OF LEASE**. However the **SUB-LESSEE**, as far as practicable, shall be subject to the same contractual obligations and qualification requirements as those imposed on the **LESSEE** such as, but not limited to, securing the requisite clearances, licenses, and permits from the appropriate offices and departments of the **LESSOR**.

SECTION 6.5. The **LESSEE** and the **SUB-LESSEE** may use the subject properties for the conduct and performance of any lawful and legitimate business **except** for the purpose of operating, in whole or in part, permanently or temporarily, **lodging houses, pension houses, motels, massage parlors, day and nightclubs, drinking bars, Karaoke and / or KTV Bars, "Ukay-ukay" or "Wag-wagan" or any similar establishment selling secondhand clothes, shoes, and other apparel, ticketing outlet and/or garage terminal for buses, vans, and other such vehicles for hire, Lotto outlet, Off-track Betting (OTB), E-Games**, and other related establishments.

SECTION 6.6. Charges for the water, telephone and electric bills shall be for the account of the **LESSEE**.

SECTION 7. The **LESSEE** expressly undertakes that it is the **SOLE PARTY** contractually liable for payment of the lease, and for the payment or settlement of all the taxes, fees, and charges due even if there are **SUB-LESSEES**. In view thereof, the **LESSEE** is precluded from evading any of its obligations specified herein as well as in the **CONTRACT OF LEASE** on account of any act or omission of the **SUB-LESSEE/S**. The **LESSEE** further undertakes to secure the requisite **BUSINESS PERMIT/S** prior to its operation and every year thereafter, as well all other city and national permits and licenses as may now or hereafter be required by law or subsequently deemed necessary and indispensable in accordance with the nature of lessee's business establishment.

SECTION 8. The **LESSOR** shall be free from any liability that may arise from any case or controversy between the **LESSEE** and the **SUB-LESSEE/S**. Likewise, the **SUB-LESSEE** shall hold the **LESSOR** free from any liability for any act or omission committed by the **LESSEE**, or for any claim or cause of action arising from his agreement with the **LESSEE**.

SECTION 9. The **SUB-LESSEE/s**, if any, shall not be allowed to sub-lease, transfer, or in any other manner assign to any other person the lease agreement executed with the **LESSEE**.

SECTION 10. All **LESSEES** and **SUB-LESSEES** shall be subject to the payment of the corresponding **Value Added Tax (VAT)** on their sales and transactions, subject to the following: .

SECTION 10.1. The **LESSEE** shall pay the corresponding **Real Property Tax (RPT)** as the beneficial user of the structure or structures leased and the land upon which the structure is located and shall not invoke any exemption from the payment of the **RPT** as may be provided by law, regulation, or court declaration/decision.

SECTION 10.2. The **LESSEE** shall likewise assume the payment of the **Value-Added Tax (VAT)** which may be assessed against or collected from the **LESSOR** as a consequence of the **CONTRACT OF LEASE**.

SECTION 11. The **CONTRACT OF LEASE** shall be subject to an escalation on the **NET RENTAL RATE** of **TEN PERCENT (10%) per ANNUM** which escalation shall begin on the **SIXTH YEAR** of the **CONTRACT OF LEASE** until the same is terminated. In the event that a new **CONTRACT OF LEASE** is executed with the same **LESSEE**, this escalation clause shall continue to be applicable unless otherwise agreed upon in writing by the **PARTIES**.

SECTION 12. Upon the signing of the **CONTRACT OF LEASE**, the **LESSEE** shall pay **ONE (1) MONTH ADVANCE RENTAL** and **TWO (2) MONTHS SECURITY DEPOSIT** which shall answer for whatever liability the **LESSEE** may incur during the period of the **CONTRACT OF LEASE**. Any remaining balance at the time of the expiration or termination of the **CONTRACT OF LEASE** shall be returned to the **LESSEE**.

SECTION 13. The **LESSEE** shall pay the monthly rental within the first five (5) days of the month for which it is applicable at the **Office of the City Treasurer of Ormoc** without need of any demand. In the event of non-payment of the rental when due, the **LESSEE** shall be liable to pay a surcharge of **TWENTY-FIVE PERCENT (25%)** of the amount due and interest of **TWO PERCENT (2%) PER MONTH** of the unpaid rentals including the applicable surcharges, if any, until the rental is fully paid but in no case shall the total interest on the unpaid rentals or portion thereof exceed **THIRTY SIX (36) MONTHS**.

SECTION 14. Upon the signing of the **CONTRACT OF LEASE**, the **LESSEE** shall provide for the **Comprehensive Insurance** of the leased building or buildings thru the **Government Service Insurance System (GSIS)** with the **LGU-Ormoc** as the designated beneficiary thereof in an amount to be determined by the **GSIS** and the **LESSOR** which **Comprehensive Insurance** must be maintained and remain valid and effective during the entire period of the lease. The **Comprehensive Insurance** must provide for full and comprehensive insurance protection of the leased properties from any and all damages, whether natural or man-made, including coverage against damages caused by **Force Majeure** and / or **Acts of God**. In the event that the **Comprehensive Insurance** is renewable annually, the **LESSEE** further undertakes to renew the same not later than the **last quarter of the preceding year**. Any and all payments, fees, and charges on the premium and documentation shall be borne solely by the **LESSEE**.

It shall be optional on the part of the **LESSEE** to secure and maintain such other insurance or indemnity to cover its third-party liability which may accrue in the course of the conduct of its business. In the event that the **LESSEE** chooses to secure such insurance or indemnity coverage, the **LESSEE** shall submit copies thereof to the **LESSOR**.

SECTION 15. Renovations, improvements, and other constructions and civil works such as, but not limited to, installation of toilet fixtures, air conditioning, telephone, lights and other facilities at the leased properties, and any other kind of construction or renovation of the same or any portion thereof, shall be at the sole expense of the **LESSEE** but can only be undertaken after the engineering specifications and plans for the same have been submitted to the **LESSOR** and its agents and approved in writing by the City Mayor. Any and all such constructions and renovations which are permanent or fixed in nature or which cannot be removed without damaging the corresponding area or portion of the leased structures shall form part of the property of the **City Government of Ormoc** at the end of the lease without any obligation to reimburse the builder/s thereof for such acquisition. In addition, the **LESSEE** must ensure that the surrounding landscape shall be preserved, enhanced, and maintained at their own cost. Any alterations, renovations, repairs, and improvements on the surrounding landscape shall likewise be subject to the prior written approval of the City Mayor.

SECTION 16. In relation to the foregoing **SECTION 15**, the **LESSEE** shall secure within one (1) month from the date of the signing of the **CONTRACT OF LEASE** a *Performance and Indemnity Bond* in an amount to be determined by the Lessor and the Lessee with the **Government Service Insurance System (GSIS)**, or with a reputable and established private assurance corporation approved by the LESSOR with **LGU-Ormoc** as beneficiary which *Performance and Indemnity Bond* shall answer for any and all damages arising from any unauthorized or unapproved renovations, demolitions, and other analogous acts made on the subject properties.

SECTION 17. The City shall conduct periodic visits to the leased premises for regulatory purposes. In this regard, the **LESSEE** shall ensure continuing and duly-certified compliance with all the health, fire, safety, and sanitation requirements, as well as compliance with the requirements imposed by special laws such as, but not limited to, provisions for ramps and other safety features required for persons with disabilities (**PWD**) in accordance with **Republic Act No. 7277** and other related laws and regulations.

SECTION 18. The **PARKING AREAS** surrounding the **EXECUTIVE BUILDING** and the **LEGISLATIVE BUILDING** shall retain their character as public areas for the use of the general public. These parking areas may be utilized by the **LESSEE/S** and their customers or clients for their motor vehicles on a first-come-first-serve basis.

SECTION 19. The **LESSOR** has the right to terminate the lease contract for failure or refusal of the lessee to pay the rentals or for violation of any of the policies and guidelines as specified herein, as well as of the terms and conditions as provided in the **CONTRACT OF LEASE** without the need of any Court action. Upon such pre-termination or upon expiration of the lease, the **LESSEE** shall deliver the building and shall be liable for such consequential damages which the **City Government of Ormoc** may suffer for failure to surrender the same.

SECTION 20. All fixed improvements introduced by the **LESSEE** and / or by its **SUB-LESSEES** shall form part of the property of the **City Government of Ormoc** at the end of the lease without any obligation to reimburse the builder/s thereof for such acquisition. In the event that the leased building is abandoned by the **LESSEE** before the expiration of the lease without justifiable cause, the **City Government of Ormoc** reserves the right to enter and re-let the same, with the corresponding right to collect the rental corresponding to the unexpired portion of the lease as well as consequential damages which the **City Government of Ormoc** may suffer arising from such abandonment.

SECTION 21. **LEAD OFFICE / AGENCY FOR IMPLEMENTATION** – There shall be created and duly-constituted, in accordance with Section 7 of Executive Order No. 301, Series of 1987 as adopted in **SECTION 5** of this **ORDINANCE**, a **BIDS AND AWARDS COMMITTEE (BAC)** specifically for the purpose of conducting the **COMPETITIVE PUBLIC BIDDING** and screening process established in and by the provisions of this **ORDINANCE**.

In the exercise of its powers and performance of its duties, the BIDS AND AWARDS COMMITTEE (BAC) herein created shall be fully authorized and duly-empowered to implement the procedures and processes for the conduct of the COMPETITIVE PUBLIC BIDDING as may be formulated by the Head of Agency in accordance with SECTION 5 of this ORDINANCE.

The BIDS AND AWARDS COMMITTEE (BAC) herein contemplated may also be constituted or created whenever there arises the necessity for the conduct of COMPETITIVE PUBLIC BIDDING for the leasing of the structures subject of this ORDINANCE.

SECTION 22. SEPARABILITY CLAUSE – In the event that any provision of this ORDINANCE, or any portion of such provision, is declared or held by final judgment of the courts of law to be unconstitutional or invalid, the other provisions or portions hereof which are not affected by such declaration shall continue to be in force and effect.

SECTION 23. REPEALING CLAUSE – Except as otherwise provided herein, all present and existing ordinances, rules, and regulations and other similar issuances of the *City Government of Ormoc* which are inconsistent herewith are hereby repealed or modified accordingly.


SECTION 24. EFFECTIVITY – This ORDINANCE shall take effect immediately upon its approval after the required posting and publication has been complied with.

ENACTED, October 27, 2011

RESOLVED, FURTHER, that copies of this Ordinance be furnished each to the Honorable City Mayor Eric C. Codilla, the City Administrator, the City Legal Officer, the City Treasurer, the City Auditor, the City Assessor, the City Planning & Development Coordinator, the BAC Office, the General Services Office, Mr. Emilio G. Tingson, Licensing Officer IV, and other offices concerned.

CARRIED UNANIMOUSLY.


I HEREBY CERTIFY to the correctness of the foregoing ordinance.


JOEL S. DUERO
Secretary to the
Sangguniang Panlungsod

ATTESTED:


CLAUDIO P. LARRAZABAL
City Councilor
Presiding Officer "Pro-Tempore"

APPROVED:


NEPOMUCENO P. APARISI
(Acting City Mayor)
Vice Mayor & Presiding Officer