



Republic of the Philippines
Department of Health

CENTRAL OFFICE BIDS AND AWARDS COMMITTEE

COBAC RESOLUTION NO. 2021-341

08 July 2021

RECOMMENDING APPROVAL FOR THE DELEGATION OF AUTHORITY TO THE OFFICES/BUREAUS/SERVICES WITHIN THE DEPARTMENT OF HEALTH CENTRAL OFFICE THE CONDUCT OF NEGOTIATED PROCUREMENT FOR THE LEASE OF REAL PROPERTY AND VENUE, AND NEGOTIATED PROCUREMENT - EMERGENCY CASES FOR LEASE OF REAL PROPERTY OR VENUE FOR USE AS QUARANTINE CENTERS, EVACUATION SITES, MEDICAL RELIEF AND AID DISTRIBUTION LOCATIONS, WAREHOUSING FACILITIES, OR SIMILAR TEMPORARY DISASTER OR EMERGENCY RESPONSE FACILITY

WHEREAS, Republic Act (RA) No. 9184 otherwise known as the "Government Procurement Reform Act," took effect on 26 January 2003, while its 2016 Revised Implementing Rules and Regulations (IRR) took effect on 28 October 2016. Further, the said Revised IRR was updated as of 31 March 2021;

WHEREAS, Section 10 of the Updated 2016 Revised IRR of RA No. 9184 provides that all procurement shall be done through competitive bidding. However, in order to promote economy and efficiency, alternative methods of procurement pursuant to Rule XVI "Alternate Methods of Procurement" of the same IRR may be undertaken;

WHEREAS, the Lease of Real Property and Venue is one of the modalities under Negotiated Procurement. Venue for this purpose as indicated in Annex H of the same IRR refers to training centers, convention halls, hotels and similar events, catering to trainings, seminars, conferences, conventions, symposia and similar gatherings requiring the official participation of government officials and employees. This may include meals and accommodation depending on the requirements of the Procuring Entity. On the other hand, Real Property, refers to land and buildings (office spaces or units) and constructions of all kinds adhered to the soil;

WHEREAS, as a policy consideration, it is preferred that government agencies lease publicly-owned venue from other government agencies. If there is an available publicly-owned venue that complies with the requirements of the Procuring Entity, it may enter into a Contract of Lease with government-agency owner;

WHEREAS, in the event that the Procuring Entity would resort to privately-owned venue, the end-user unit shall justify that the same is more efficient and economical to the government;

WHEREAS, the location of the real property or venue to be leased should have been meticulously selected by the Procuring Entity after taking into consideration, among others, the observance of prudence and economy in government service and suitability of the area in relation to the mandate of the offices and its accessibility to its clients. In lease of venue,

other factors such as nature of the event or the level of security in the proposed location may also be taken into account;

WHEREAS, as for Approved Budget for the Contract (ABC) and rental rates, the ABC shall be set using the mid-point of the range obtained from the results of the market analysis on the prevailing lease rates for real property and venue within the vicinity of the selected location complying with the criteria and technical specifications of the End-User Unit. In no case shall the rental rates, including additional expenses, such as association dues in the case of lease of real property, exceed the ABC. As a general rule, rental rates are considered reasonable when they represent or approximate the value of what the lessee gets in terms of accommodation, facility, amenities, and convenience from the leased real property or venue and the lessor gets an equitable return of capital or investment. Rental rates should also 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. Rental rate refers to the amount paid by the Lessee for the use and/or occupancy of the privately-owned real property to the Lessor, where payment is usually made on a monthly basis;

WHEREAS, there are at least twenty-three (23) offices/bureaus/services within the DOH Central Office that conduct trainings, seminars, conferences, conventions, symposia and similar learning and development activities;

WHEREAS, with the volume of the procurement projects being processed, the five (5) Central Office Bids and Awards Committees will have difficulty in processing the procurement of lease of real property and venue. Hence, the Committees might not be able to respond to the DOH Central Office requirements in a timely manner;

WHEREAS, pursuant to Section IV.J of Annex H of Updated 2016 Revised IRR of RA No. 9184: Consolidated Guidelines for the Alternative Methods of Procurement, the Lease of Real Property and Venue may be delegated to the End-User Unit or any other appropriate bureau, committee or support unit duly authorized by the BAC through a Resolution approved by the HOPE;

WHEREAS, COBAC Resolution No. 2016-434 dated 04 November 2016 and COBAC Resolution No. 2018-379 dated 04 April 2018 were issued by Central Office Bids and Awards Committee (COBAC) in accordance with the 2016 IRR of RA No. 9184 to authorize the procurement of lease of venue to the Offices/Bureaus/ Offices within the DOH Central Office with an ABC of One (1) Million Pesos (PhP1,000,000.00) and below provided, that compliance with the 2016 Revised IRR shall be observed and all awards shall be immediately reported, with all supporting documents, to the Procurement Service as required;

WHEREAS, pursuant to DPO No. 2021-1180 dated 28 May 2021, the COBAC-B is assigned to process, a) Lease of Real Property and b) Lease of Venue with Approved Budget for the Contract (ABC) of more than One Million Philippines Pesos (PhP1,000,000.00);

WHEREAS, on 01 July 2021, to promote economy and efficiency, the COBAC-B during its 39th Regular Meeting, decided to delegate the procurement process of Lease of both Real Property and Venue regardless of the ABC, to the Heads of Offices/Bureaus/Services within the DOH Central Office provided, that all concerned shall adhere to Section IV.J of Annex H

of the Updated 2016 IRR of RA No. 9184 and all the awards shall immediately be reported, with all supporting documents, to the Procurement Service as required;

WHEREAS, for the lease of real property, the End-User Units shall abide by the procedures based on Section V.D.9 of Annex H of the Updated 2016 Revised IRR as follows:

- a) The real property being offered by the lessor with the Lowest or Single Calculated Quotation (LCQ/SCQ) shall then be rated by the End—User Unit in accordance with the technical specification prepared using the Table of Rating Factors for Lease of Real Property Compliance rating based on Appendix B of Annex H of the Updated 2016 Revised IRR, with the technical specifications that may be conducted through ocular inspection, interviews or other-forms of due diligence. Moreover, the reasonableness of its price quotation shall be determined in accordance with the methodology prescribed in Appendix B of Annex H of the Updated 2016 Revised IRR:

Table of Rating Factors for Lease of Real Property:

	RATING FACTORS	WEIGHT (%)	RATING
I.	Location and Site Condition		
	1. Accessibility	(25)	
	2. Topography and Drainage	(20)	
	3. Sidewalk and waiting shed	(15)	
	4. Parking space	(15)	
	5. Economic potential	(10)	
	6. Land classification, utilization, and assessment	(10)	
	7. Other added amenities	(5)	
		100	
II.	Neighborhood Data		
	1. Prevailing rental rate	(20)	
	2. Sanitation and health condition	(20)	
	3. Adverse influence	(15)	
	4. Property utilization	(15)	
	5. Police and fire station	(15)	
	6. Cafeterias	(10)	
	7. Banking/postal/telecom	(5)	
		100	
III.	Real Property		
	1. Structural condition	(30)	
	2. Functionality		
	a. Module	(6)	
	b. Room arrangement	(6)	
	c. Circulation	(6)	
	d. Light and ventilation	(6)	

	e. Space requirements	(6)	
	3. Facilities		
	a. Water supply and toilet	(6)	
	b. Lighting system	(6)	
	c. Elevators	(6)	
	d. Fire escapes	(6)	
	e. Fire fighting equipment	(6)	
	4. Other requirements		
	a. Maintenance	(5)	
	b. Attractiveness	(5)	
		100	
IV.	Free Services and Facilities		
	1. Janitorial and security	(20)	
	2. Air conditioning	(20)	
	3. Repair and maintenance	(20)	
	4. Water and light consumption	(20)	
	5. Secured parking space	(20)	
		100	
I.	Location and Site Condition	X (.20) =	
II.	Neighborhood Data	X (.20) =	
III.	Real Property	X (.50) =	
IV.	Free Services and Facilities	X (.10) =	
FACTOR VALUE			

Note: Weight of each rating factor may be changed as long as total weight per classification is equivalent to 100. Figures in parenthesis are samples. Procuring Entity must determine passing rate before inviting bids from Lessors. A bid is determined to be responsive if it is equal to or higher than the passing rate.

- b) The requirements shall be prepared which include among others the proposed location(s), neighborhood data, prevailing rental rates in the area, condition, functionality and facilities of the real property to be leased, and services that are included (such as but not limited to: Janitorial, Security and Air Conditioning maintenance).
- c) For lease of real property, any of the following: (i) Computation based on Observed Depreciation, (ii) Computation based on Straight Line Depreciation or (iii) Comparative Market Price Analysis shall be prepared to determine the reasonableness of rental rates, pursuant to Appendix B of Annex H of the Updated 2016 Revised IRR.
- d) Send the Request for Quotation (RFQ) to at least three (3) prospective Lessors, and on a specified date, the submitted price quotations shall be opened.

- e) Consider receipt of at least one (1) quotation to be sufficient to proceed with the evaluation thereof.
- f) Prepare the Abstract of Canvass using the attached template (Annex A).
- g) Require from the Service Provider with the LCQ/SCQ for the submission of the following documentary requirements:
 - 1. Mayor's/Business Permit
 - 2. PhilGEPS Registration Number
 - 3. Income/Business Tax Return (except for government agencies as lessors)
- h) Evaluate compliance of the LCQ/SCQ with the required documentary requirements.
- i) Upon determination of the responsiveness of the quotation, the End-User Unit shall award the contract through the issuance of Notice of Award, Contract (using standard and cleared by the Legal Service) and Notice to Proceed in favor of the Lessor with Lowest or Single Calculated and Responsive Quotation (LCRQ/SCRQ). Posting of Performance Security shall not be required.
- j) The following documents shall be submitted to the Contract Management Division of the Procurement Service five (5) calendar days after the award has been made for posting at the PhilGEPS, DOH websites and DOH Official Social Media Page, and for submission of documentary requirements to Commission on Audit pursuant to COA Circular No. 2009-001:
 - 1. Notice of Award
 - 2. Contract
 - 3. Notice to Proceed
 - 4. Abstract of Canvass
 - 5. Rating of the LCRQ/SCRQ using the Table of Rating Factors for Lease of Real Property or Venue
 - 6. Purchase Request
 - 7. Project Procurement Management Plan

WHEREAS, Section V.D.9(d) of Annex H of the Updated 2016 Revised IRR of RA No. 9184, provides that Contract of Lease of Real Property may be renewed subject to the following conditions:

- a) Prior to the expiration of the lease contract, the end-user of the procuring entity must conduct a cost-benefit analysis to assess the quality of service under the lease contract. 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.
- b) If the results of the Cost-Benefit Analysis (CBA), conducted by the end-user, continue to favor the existing lessor, then the Head of the Procuring Entity (HoPE) may simply renew its lease contract. If it does not, then the PE should procure a new lease contract in accordance with Section 53.10 of the IRR of RA 9184 and these guidelines. For

efficiency and economy, during the effectivity of the contract, or upon its renewal, the PE 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, for the lease of venue, the End-User Units shall abide to the procedures based on Section V.D.9 of Annex H of the Updated 2016 Revised IRR as follows:

- a) The venue being offered by the lessor with the LCQ/SCQ shall then be rated by the End—User Unit in accordance with the technical specification prepared using the Table of Rating Factors for Lease of Venue Compliance rating based on Appendix B of Annex H of the Updated 2016 Revised IRR, with the technical specifications that may be conducted through ocular inspection, interviews or other-forms of due diligence:

Table of Rating Factors for Lease of Venue:

	RATING FACTORS	WEIGHT (%)	RATING
I.	Availability	100	
II.	Location and Site Condition		
	1. Accessibility	(50)	
	2. Parking space	(50)	
		100	
III.	Neighborhood Data		
	1. Sanitation and health condition	(25)	
	2. Police and fire station	(25)	
	3. Restaurant	(25)	
	4. Banking and Postal	(25)	
		100	
IV.	Venue		
	1. Structural condition	(20)	
	2. Functionality		
	a. Conference Rooms	(10)	
	b. Room arrangement (e.g., single, double, etc.)	(5)	
	c. Light, ventilation, and air conditioning	(5)	
	d. Space requirements	(5)	
	3. Facilities		
	a. Water supply and toilet	(4)	
	b. Lighting system	(5)	
	c. Elevators	(4)	
	d. Fire escapes	(4)	
	e. Fire fighting equipment	(4)	

	f. Internet and Telecommunications	(4)	
	g. Audio visual equipment	(5)	
	4. Other requirements		
	a. Maintenance	(5)	
	b. Attractiveness	(5)	
	c. Security	(5)	
	5. Catering Services	(5)	
	6. Client's satisfactory rating	(5)	
		100	
I.	Availability	X (.5) =	
II.	Location and Site Condition	X (.1) =	
III.	Neighborhood Data	X (.05) =	
IV.	Venue	X (.35) =	
FACTOR VALUE			

Note: Weight of each rating factor may be changed as long as total weight per classification is equivalent to 100. Figures in parenthesis are samples. Procuring Entity must determine passing rate before inviting bids from Lessors. A bid is determined to be responsive if it is equal to or higher than the passing rate.

- a) Prepare the requirements for the procurement of lease of venue which include among others the number of participants, duration of the activity, meals specification and other amenities.
- b) Conduct a market analysis to determine the availability of venue that is in accordance with the End-User Unit's requirement and that the rental fee shall be in accordance with the DOH allowable rate for the lease of venue per participants per day.
- c) Send the RFQ to at least three (3) venue providers within the vicinity of the selected location with the required specifications for the activity to be conducted.
- d) Consider receipt of at least one (1) quotation to be sufficient to proceed with the evaluation thereof.
- e) Prepare the Abstract of Canvass using the attached template (Annex A).
- f) Require from the Service Provider with the LCQ/SCQ for the submission of the following documentary requirements:
 1. Mayor's/Business Permit
 2. PhilGEPS Registration Number
 3. Income/Business Tax Return (except for government agencies as lessors)
- g) Evaluate compliance of the LCQ/SCQ with the required documentary requirements.
- h) Upon determination of the responsiveness of the quotation, the End-User Unit shall award the contract through the issuance of Notice of Award, Contract (using standard

and cleared by the Legal Service) and Notice to Proceed in favor of the Lessor with Lowest or Single Calculated and Responsive Quotation (LCRQ/SCRQ). Posting of Performance Security shall not be required.

- i) The following documents shall be submitted to the Contract Management Division of the Procurement Service five (5) calendar days after the award has been made for posting at the PhilGEPS, DOH websites and DOH Official Social Media Page, and for submission of documentary requirements to Commission on Audit pursuant to COA Circular No. 2009-001:
 1. Notice of Award
 2. Contract
 3. Notice to Proceed
 4. Abstract of Canvass
 5. Rating of the LCRQ/SCRQ using the Table of Rating Factors for Lease of Real Property or Venue
 6. Purchase Request
 7. Project Procurement Management Plan

WHEREAS, GPPB Resolution No. 03-2020, "Approving the Adoption of Efficient, Effective and Expedient Procurement Procedures during a State of Public Health Emergency" dated 09 March 2020, was approved;

WHEREAS, pursuant to the cited resolution, the following were confirmed, adopted, and approved by the GPPB:

1. **INCLUDE** the paragraph, "The instances or situations where the foregoing conditions may be applied include the provision of immediate response and initial recovery steps to avoid loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation." After the enumeration of instances where Negotiated Procurement (Emergency Cases) modality may be resorted to by the Procuring Entity under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex "H" of the same IRR;
2. **ALLOW** either the BAC or the End-User Unit or any other appropriate bureau, committee, support or procuring unit to recommend to the HoPE any revision of the Annual Procurement Plan (APP) to cover the Procurement Project that will be resorting to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of the Annex "H" of the same IRR subject to the validation by the appropriate office in the Procuring Entity that there are funds in the budget to cover for the same;

The proposed APP revision(s) may only be approved by the HoPE upon its confirmation of the existence and veracity of the ground(s) relied upon in resorting to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of Annex "H" of the same IRR

3. **AUTHORIZE** the HoPE to delegate to either the BAC or the End-User unit or any other appropriate, committee, support or procuring unit the authority to directly negotiate with a legally, technically, and financially capable supplier, contractor, or consultant for procurement undertaken through any of the allowable instances of Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of the Annex "H" of the same IRR of RA9184 and other associated issuances or to any other official where there exists conflict of interest, such as those to whom the HoPE has delegated the authority to directly negotiate under the foregoing modality;
4. **ALLOW** the HOPE to delegate the awarding of contract under Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of the Annex "H" of the same IRR to any official of the procuring entity except to the BAC Chairperson or members pursuant to Section 11.2.5 of the 2016 revised IRR of RA9184 and other associated issuances or to any other official where there exists conflict of interest, such as those to whom the HoPE has delegated the authority to directly negotiate under the foregoing modality;
5. **INCLUDE** in the Procurement Projects that may be covered by the Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR and Item V(D)(2a) of the Annex "H" of the same IRR of RA9184 the lease of real property or venue for use as quarantine centers, evacuation sites, medical relief and aid distribution locations, warehousing facilities, or similar temporary disaster or emergency response facility as among those that may be procured under Negotiated Procurement (Emergency Cases);
6. **APPROVE**, the related amendments to the Consolidated Guidelines for Alternative Methods of Procurement or Annex "H" of the same IRR of RA9184 and GPPB Circular No. 06-2016;

WHEREAS, as much as the COBAC would like to cater all procurement requests during a state of public health emergency, however, due to the volume of procurement projects being processed, the BAC may not award the project within the target date. Hence, to provide immediate response and initial recovery steps to avoid loss of life, injury, disease and other negative effects on human, physical, mental and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption and environmental degradation it is hereby recommended to delegate to the End-User unit or any other appropriate, committee, support or procuring unit the processing of lease of real property or venue for use as quarantine centers, evacuation sites, medical relief and aid distribution locations warehousing facilities, or similar temporary disaster or Emergency Response facility through Negotiated Procurement (Emergency Cases) modality;

WHEREAS, the End-User unit or any other appropriate, committee, support or procuring unit, shall abide by the procedure stipulated in GPPB Resolution 03-2020, to wit:

- i. Prepare the requirements for the procurement of lease of real property or venue (e.g. Technical Specification).

- ii. The End-user unit or any other appropriate bureau, committee, support or procuring unit shall recommend to the HoPE any revision of the Annual Procurement Plan (APP) to cover the Procurement Project that will be subject to Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR subject to the validation by the appropriate office in the Procuring Entity that there are funds in the budget to cover for the same.
- iii. The End-user unit or any other appropriate bureau, committee, support or procuring unit shall have the authority to directly negotiate with a legally, technically, and financially capable supplier, contractor, or consultant for procurement undertaken through any of the allowable instances of Negotiated Procurement (Emergency Cases) under Section 53.2 of the 2016 revised IRR.
- iv. Upon confirmation and ascertainment of such capability to address the emergency, the HoPE, upon recommendation of End user unit or any other appropriate bureau, committee, support or procuring unit, authorized for the purpose shall immediately award the contract to the Supplier, Contractor or Consultant.
- v. The following documents shall be submitted to the Procurement Service and Commission on Audit (COA) after the award has been made for posting at the PhilGEPS website and documentation:
 1. Notice of Award
 2. Contract
 3. Notice to Proceed
 4. Procurement Request
 5. Project Procurement Management Plan

WHEREAS, Department Order (DO) No. 2020-0011 dated January 30, 2020 provides the Delegation of Approving Authorities for Procurement Transactions at the DOH-Central Office, which is approved by the HoPE, on the approval of Resolution to award to the LCRQ/SCRQ:

- a. The Director IV concerned for transactions amounting to Twenty Million Philippine Pesos (Php20,000,000.00) and below;
- b. The Assistant Secretary (ASec) for transactions amounting to more than Twenty Million Philippine Pesos (Php20,000,000.00) but less than Fifty Million Philippine Pesos (Php50,000,000.00) and in case the approving Director in Section 2.a of the DO is a member of the Central Office Bids and Awards Committee (COBAC) that processed the procurement package;
- c. The Undersecretary (USec) concerned for transactions amounting to Fifty Million Philippine Pesos (Php50,000,000.00) but less than Five Hundred Million Philippine Pesos (Php500,000,000.00) and in case when the approving Director in 2.a or ASec in 2.b of the DO is a member of the COBAC that processed the procurement package or the End-User Unit (EUU) has no ASec; and,
- d. The Secretary of Health (SoH) for transactions amounting to Five Hundred Million Philippine Pesos (Php500,000,000.00) and above.

NOW THEREFORE, in consideration of the above premises, the herein members of the COBAC-B **HEREBY RESOLVE** the following:

1. Recommend the approval to delegate the procurement of the Lease of both Real Property and Venue, and Negotiated Procurement – Emergency Cases for the quarantine centers, evacuation sites, medical relief and aid distribution locations warehousing facilities, or similar temporary disaster or Emergency Response facility, regardless of the ABC, to the Heads of Offices/Bureaus/Services within the DOH Central Office provided, that all concerned shall adhere to Annex H of the Updated 2016 IRR of RA No. 9184 and that all the awards shall immediately be reported, with all supporting documents to the Procurement Service as required; and,
2. Secure the approval of the Secretary of Health on this delegation of authority.

Signed this 21 day of JULY 2021 at the Department of Health, San Lazaro Compound, Sta. Cruz, Manila.


CENTRAL OFFICE BIDS AND AWARDS COMMITTEE (COBAC)-B


CHARITY L. TAN, MA
Regular Member

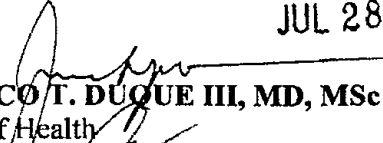

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ALELI ANNIE GRACE P. SUDIACAL, MD, MPH
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OIC-Assistant Secretary of Health
Chairperson
Met 7/16

Approved by:


FRANCISCO T. DUQUE III, MD, MSc
Secretary of Health

JUL 28 2021