

[**RESOLUTION NO. 06-2018, September 19, 2018**
]

APPROVING THE AMENDMENT TO THE GUIDELINES ON LEASE OF REAL PROPERTY AND VENUE UNDER ANNEX "H" OF THE 2016 REVISED IMPLEMENTING RULES AND REGULATIONS (IRR) OF REPUBLIC ACT (RA) NO. 9184

Adopted: 18 May 2018
Date Filed: 19 September 2018

WHEREAS, Section 63(b) of Republic Act (R.A.) No. 9184, the Government Procurement Reform Act, and Section 63.1(b) of the 2016 revised Implementing Rules and Regulations (IRR) authorize the Government Procurement Policy Board (GPPB) to formulate public procurement policies, rules and regulations, and amend, whenever necessary, the IRR;

WHEREAS, Section 43 of RA 9184 provides that the rules and guidelines for the implementation and termination of contracts awarded pursuant to the provisions of the Act shall be prescribed in the IRR, while Section 54 thereof states that the specific terms and conditions, including the limitations and restrictions, for the application of each of the alternative methods shall be specified in the IRR;

WHEREAS, Section 53.10 of the 2016 IRR of RA 9184 allows the resort to Negotiated Procurement in case of Lease of Real Property and Venue, subject to the provisions of Annex H of the 2016 IRR of RA 9184 entitled Consolidated Guidelines for the Alternative Methods of Procurement (Guidelines for brevity);

WHEREAS, during the 2nd Inter-Agency Technical Working Group Meeting held on 10 May 2018, the Government Procurement Policy Board - Technical Support Office recommended the following amendment to the Guidelines to ensure that contractual arrangements with service providers continue to be favorable to the interest of the government and, thus, remain consistent with the principles of RA 9184 and to adapt to the changes in the procurement environment, to wit:

Section V.D.9.(d) of Annex "H" of the 2016 IRR of RA 9184, **Renewal of Contract of Lease of Real Property** (New Provision)

"i. At the end of each year, 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