

AN ORDINANCE PROVIDING FOR THE TERMS OF REFERENCE FOR THE LEASE, DEVELOPMENT AND UTILIZATION OF CERTAIN PORTIONS OF THE BICOL CENTRAL STATION COMPLEX :-

Sponsors: Hon. City Councilor Mila S.D. Raquid-Arroyo Hon. City Councilor Elmer S. Baldemoro Hon. City Councilor Jose A. Tuason

Be it enacted by the Sangguniang Panlungsod of Naga in session assembled:

SECTION 1. PURPOSE. The City Government of Naga (CGN) seeks investors who will lease, develop and utilize, under mutually agreeable terms as herein provided, portions of the Bicol Central Bus Station (BCS) Complex to otimize its economic value to the City. Specifically, this Ordinance seeks to achieve the following:

- 1. To encourage the participation of the private sector in local governance especially in the delivery of basic services and operation and management of economic enterprises;
- 2. To generate additional revenues for the city through economic utilization of city-owned properties; and
- 3. To stimulate economic growth within and around city-owned properties to promote sustained and optimal development in the City of Naga.

SECTION 2. The BCS Complex. The Bicol Central Station Complex (formerly called the Naga City Central Bus Terminal), completed in 1998, serves as Naga City's central bus terminal, catering to buses emanating from or passing through Naga then going to the north (Camarines Norte and Quezon up to Manila) and south (other parts of the province of Camarines Sur, the provinces of Albay and Sorsogon, up to parts of the Visayas and Mindanao, and/or coming in from other parts of Bicol or the country. It is located within the city's Central Business District-II (CBD-II).

Within the BCS complex are bus parking areas, 33 loading/unloading bays, parking spaces for private vehicles, and a building whose ground floor contains transport ticketing offices, passenger lounges and amenities, and leased commercial spaces. The building structure is designed to accommodate two storeys. The second floor which is currently undeveloped and underutilized is the object of the development intended under this ordinance.

The current site/physical plan of the BCS Complex is hereto attached as Annex "A."

SECTION 3. BCS Areas for Lease

The areas available for lease are the following portions of the Property:

- 1. Second floor facing SM City Naga and Second Street with an area of more or less 2,291 sq. m.
- 2. Second floor facing the CBD Hotel and Ninoy-Cory Road with an area of more or less 1,120 sq. m.

Bidders may bid for **ONE OR BOTH OF THESE TWO PORTIONS** of the BCS subject to the Development Guidelines as provided under Section 5 hereof.

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SECTION 4. Qualification of Bidders

- 1. Sole proprietorships, Partnerships or Corporations duly organized under Philippine laws;
- 2. Entities with existing tax arrears with the national government and/or the local governments where they are currently doing business are disqualified from participating in the bidding process. This eligibility requirement also applies to their affiliates and subsidiaries.
- 3. For purposes of the above, bidders shall submit the following:
 - 2.1. Proof of Juridical Personality:
 - 2.1.1. If a Sole Proprietorship Certified true copy of Certificate of Business Name Registration issued by the Department of Trade and Industry (DTI);
 - 2.1.2. If a Partnership Certified true copy of Articles of Partnership and By-Laws; Certified true copy of Certificate of Registration issued by the Securities and Exchange Commission; and if applicable, certified true copy of Certificate of Business Name Registration issued by the DTI;
 - 2.1.3. If a Corporation Certified true copy of Articles of Incorporation and By-laws; Certified true copy of Certificate of Registration issued by the SEC; and, if applicable, certified true copy of Certificate of Business Name Registration issued by the DTI;
 - 2.2. Certified true copy of Bidder's Certificate of Registration and Taxpayer's Identification Number issued by the Bureau of Internal Revenue (BIR);
 - 2.3. Certified true copy of a tax clearance certificate issued by the BIR, or its equivalent;
 - 2.4. Certified true copy of valid and current Business Permit(s)/Municipal License(s) to do business issued by the Local Government Unit(s) where the Bidder is currently doing business;
 - 2.5. Certified true copy of Certificate(s) of Updated Real Property Tax Payments issued by the Local Government Unit(s) where the Bidder is currently doing business; and

SECTION 5. Minimum Development Guidelines

- 1. Second floor (facing SM City Naga)
 - 1.1. One-storey development on the second floor
 - 1.2. Business use is for department store, grocery, fastfood and other related commercial stores or a combination thereof
 - 1.3. Business areas are enclosed and fully air-conditioned
 - 1.4. Should be compliant with the requirements of the National Building Code and the Revised Building Code of the City of Naga as to requisite facilities and spaces;
 - 1.5. Should show design for customers' access from the ground floor using existing building stairs or additional stairs that may be constructed or other facilities, without destroying the overall aesthetic design of the entire BCS Complex
 - 1.6. Should show separate cargo/supply loading and unloading facilities
 - 1.7. Design must blend with the design of the CBS
 - 1.8. Should have reasonable access to the existing Migrants' Resource Center also found at the second floor.

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- 2. Second floor facing the CBD Hotel
 - 2.1. One-storey development on the second floor
 - 2.2. Business use is for room accommodation facilities and other related amenities
 - 2.3. At least 80% of rooms to be airconditioned
 - 2.4. Should be compliant with the requirements of the National Building Code and the Revised Building Code of the City of Naga as to facilities and spaces
 - 2.5. Should show design for customers' access from the ground floor using existing building stairs or additional stairs that may be constructed or other facilities, without destroying the overall aesthetic design of the entire BCS Complex
 - 2.6. Design must blend with the design of the CBS
 - 2.7. Should have reasonable access to the existing Migrants' Resource Center also found at the second floor.

SECTION 6. CONSTRUCTION TIMETABLE. Construction on all or portions of the leased Property must be completed in nine (9) months from the date of ratification of the Lease Contract by the Sangguniang Panlungsod.

SECTION 7. TERMS OF LEASE

- 1. Monthly Rental at least P 50.00/sq. m./month
- 2. Escalation Rate at least three percent (3%) compounded every three (3) years. This escalation rate shall be reviewed for rate adjustments to be implemented, if any, beginning the 15th year of the lease period;
- 3. Security Deposit equivalent to three (3) months rental, payable upon signing of the Lease Agreement;
- 4. Advance Rental equivalent to three (3) months rental, payable upon turn-over of possession and control over the leased premises;
- **5.** Duration of Lease maximum of twenty five (25) years, renewable for a maximum of another twenty five (25) years **under terms and conditions that may be agreed upon between the CGN and the lessee;**
- **6.** Turn-over of Improvements all permanent improvements introduced by the lessee shall be fully turned over to the City Government of Naga upon expiration of the Lease Contract, **unless a new Lease Contract is executed with the City Government.**

SECTION 8. EVALUATION CRITERIA AND REQUIREMENTS TO BIDDERS

1. Bids shall be evaluated by the BAC using the following criteria:

CRITERIA	POINT VALUE
a) Lease Value, including escalation	30%
b) Business Operations Concept and Validated Project Cost	30%
c) Expertise and Experience	20%
d) Financial Capability	20%

Project Cost shall refer to the cost of construction and all improvements on the leased premises.

The Winning bidder shall agree to hire at least eighty percent (80%) of its workers, from construction to operation, from among registered voters of Naga City. For this purpose, a list of the names and addresses of all its employees shall be submitted to the City Government of Naga at the beginning of each year from the signing of the the Lease Contract.

2. For the above purpose, bidders shall be required to submit the following:

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- 2.1. Business Operations Concept and Validated Project Cost:
 - 2.1.1. Signed conceptual design and description of the Bidder's planned business use and activities, features and amenities, to include:
 - 2.1.1.1. Description of business activities
 - 2.1.1.2. Architect's design perspective
 - 2.1.1.3. Site Plan, including a description of spaces to be used
 - 2.1.1.4. Initial volumes or throughput at start-up
 - 2.1.1.5. Projected ROI and schedule of return
 - 2.1.1.6. Planned volumes at full utilization
 - 2.1.1.7. Estimated timeframe to reach full utilization
 - 2.1.2. Complete set of building plans (architectural, structural, mechanical, electrical and sanitary plans)
 - 2.1.3. Bill of Materials and Specifications
 - 2.1.4. Signed work plan and schedule including major development milestones, timetable and the schedule of the capital investment commitment
 - 2.1.5. Signed solid and waste water management plan
 - 2.1.6. Signed maintenance plan and schedule for the duration of the lease period including repainting and minor renovations
- 2.2. Expertise and Experience:
 - 2.2.1. Proof of Track Record:
 - 2.2.1.1. Signed list of projects similar to the one being proposed for development on the Property, either owned, operated and/or managed with a minimum of five (5) years of operations. At least one of these should have a project cost of at least 50% of the Proposed Project Cost. Such listing should include the description, status, investments made, and project cost involved.
 - 2.2.1.2. Supporting documents to prove ownership, operations or management of the above-listed projects.
 - 2.2.1.3. Financial Capability
 - 2.2.2. Audited financial statements (Balance Sheet, Income Statement and Auditor's Report), stamped "received" by the BIR or its duly accredited and authorized institutions for the calendar years 2009 to 2013 showing, among others, the Bidder's total and current assets and liabilities
 - 2.2.3. Financing plan specifying fund sources for the proposed Project Cost, including list of fund sources to finance the Project
 - 2.2.4. Bank Certification from universal/commercial bank/s or an international bank/s with a subsidiary branch or correspondent bank/s in the Philippines attesting that the Bidder is:
 - banking with them;
 - in good credit standing; and
 - qualified to obtain a credit line equivalent to the amount specified in the financing plan (fund sources), if applicable.

In case of a foreign bank, the certification shall include a list of its Philippine correspondent bank/s.

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- 3. The Bidder with the Highest Points generated based on the prescribed criteria above shall be recommended by the BAC to the City Mayor for award as the Winning Bidder.
- 4. CGN reserves the right to suggest any plan enhancement, improvement or alteration in the original submitted plans before ratification by the Sangguniang Panlungsod of the Lease Contract, provided the same will not result in the increase of the proposed Project Cost.

For the above purpose, the Winning Bidder is required to discuss with the CGN details of the terms and conditions of the lease particularly:

- 4.1. the obtaining of all necessary permits, licenses and approvals for the construction of the Project
- 4.2. the requirement of employing at least eighty percent (80%) of the workforce, from construction to operation, from among registered voters of Naga City.

SECTION 9. OTHER PROVISIONS

- 1. **Bidders shall furnish Bid Security**, which shall be non-interest bearing, in an amount equivalent to five percent (5%) of the Project Cost plus one year's value of the proposed Monthly Rental.
- 2. A **Performance Security** equivalent to thirty percent (30%) of the proposed Project Cost shall be posted by the winning bidder to guarantee full implementation. If the posted security is in the form of a **surety** bond, the same must come from a surety company that is reputable and acceptable to the CGN.
- 3. The Lessee is hereby prohibited to contract or sub-contract construction of the Project or any part thereof to any contractor who is blacklisted by any government agency.

SECTION 10. SEPARABILITY. If any part of this Ordinance is declared unconstitutional or contrary to law, those that are otherwise not so declared shall remain in full force and effect.

SECTION 11. EFFECTIVITY. This Ordinance shall take effect immediately upon publication thereof in a newspaper of general circulation in the City of Naga.

ENACTED: October 7, 2014.

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WE HEREBY CERTIFY to the correctness of the foregoing ordinance.

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GIL A. DE LA TORRE

Secretary to the Sangguniang Panlungsod

NELSON S. LEGACION City Vice Mayor & Presiding Officer

APPROVED:

JOHN G. BONGAT City Mayor