

1. Parking Area, except the front portion of the Metro Naga Sports Complex stretching from the gate and front fence to the Grandstand and the Naga City Children's Home.

Interested bidders must bid for all of the aforesaid portions, subject to the development guidelines as provided in this Ordinance.

SECTION 4. QUALIFICATION OF BIDDERS. Interested private institutions who would like to lease the abovementioned portions of the Metro Naga Sports Complex must comply with the following requisites:

1. A sole proprietorship, partnership, corporation or foundation duly-organized under Philippine laws, operating within the City of Naga;
2. Entities with existing tax arrears with the national government and/or the City Government of Naga are disqualified from participating in the bidding process. This eligibility requirement also applies to their affiliates and subsidiaries.
3. Track record on handling sports development programs within the past five (5) years;
4. Submission of the following documents:

4.1. Proof of Juridical Personality:

- a. For Sole Proprietorship - Certified True Copy of Business Name Registration issued by the Department of Trade and Industry;
- b. For Partnership - Certified True Copy of Articles of Partnership and By-Laws, Certified True Copy of Certificate of Registration of Partnership issued by the Securities and Exchange Commission, and, if applicable, Certified True Copy of Certificate of Business Name Registration issued by DTI;
- c. For Corporation and Foundation - 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 DTI.
- 4.2. Certified True Copy of Bidder's Certificate of Registration and Taxpayer's Identification Number issued by the Bureau of Internal Revenue
- 4.3. Certified True Copy of Tax Clearance Certificate issued by the Bureau of Internal Revenue, or its equivalent;
- 4.4. Certified True Copy of Valid and Current Business Permit issued by the City Government of Naga;
- 4.5. Certified True Copy of Certificate of Tax Clearance issued by the City Treasurer of Naga City.

SECTION 5. MINIMUM DEVELOPMENT GUIDELINES. The lessee of the Metro Naga Sports Complex must commit, at the minimum, to the following developments or investments:

- a. Repair of grandstand roof
- b. Rehabilitation of the dormitories and offices

- c. Refurbishment of the track enclosure and grounds, tennis courts, swimming pool and other areas and sports facilities in Metro Naga Sports Complex covered by the lease
- d. Landscaping and beautification of the complex

SECTION 6. MONTHLY RENTAL. The bid for the lease of the portions of the Metro Naga Sports Complex shall start at the minimum of ONE HUNDRED THOUSAND PESOS PER MONTH (P100,000.00/MONTH).

This is exclusive of electrical bills, water bills and other utilities that will be maintained in the facilities which will be charged against the account of the lessee.

The rent shall be paid MONTHLY in advance, on or before the 5th working day of every month. The account to which the monthly rental shall be paid is hereunder provided:

Account number (General Fund): 3762-1004-51
Account Name: City Government of Naga
Address: Land Bank of the Philippines, Concepcion Pequeña,
Naga City 4400
Swift code: TLBPPHMMXXX

Copy of the deposit slip shall be furnished the City Treasurer, who shall in turn prepare and give to the lessee a copy of an Official Receipt acknowledging the receipt of rental payment.

After five (5) years from the effectivity of the lease, there must be a review of the rental rates. For this purpose, a review committee is hereby created which shall compose of the following:

Chairman	:	City Legal Officer
Vice-Chairman	:	City Administrator
Members	:	Head of Office of the Education, Scholarships, and Sports Office Chairman of the SP Committee on City Properties City Engineer City Budget Officer Head of Office of the Investment and Trade Promotion Office Representative from the Naga City People's Council

SECTION 7. ADVANCE RENTAL. The costs for the repairs and improvements of the Metro Naga Sports Complex shall be considered as advance rentals of the lessee which shall be at the maximum amount determined through the estimates of costs prepared by the City Engineer's Office.

The City Engineer's Office (CEO) shall prepare estimates as to the costs of the said repairs and improvements and, thereafter, certify the accomplishments made by the lessee and the expenses it has incurred in refurbishing and investing into the rehabilitation of the Metro Naga Sports Complex.

The aforesaid certification of the CEO shall then be submitted to the City Treasurer's Office and the City Accounting Office, which shall, in turn, credit the amounts of investments of the lessee as advance rentals to LGU-Naga.

SECTION 8. SECURITY DEPOSIT. An amount equivalent to three (3) months of rental or the amount of Three Hundred Thousand Pesos (P300,000.00) shall be deposited by the prospective lessee with the City Government of Naga, as Security Deposit.

The Security Deposit shall shoulder the costs of repair or replacement of parts, equipment, or facilities in the leased premises which are no longer in good working condition at the time of the expiration of the lease, without renewal. Any excess to the Security Deposit shall be returned to the prospective lessee after such repairs or replacements have been made.

SECTION 9. INTEREST AND PENALTIES. After exhausting the advance rentals that the lessee has paid in the form of repairs and improvements, as mentioned in the preceding section, in the event of late payment of the monthly rental, the lessee shall then pay interest on any unpaid amount at the rate of one percent (1%) per month and a penalty of two percent (2%) per month, to be computed from the date of delinquency until such amount is paid in full.

For this purpose, the following guidelines on application of payments shall be observed:

- Any payment received by LGU-NAGA shall be applied against the statement of account or billing with the earliest date;
- In the event that the payment of interest, penalty, rent or other charges is covered by one statement of account, then the payment received by LGU-NAGA shall be applied in the payment of obligations stated therein in the following order of priority: (i) first, against the penalty due, (ii) then, against the interest due, and (iii) finally, against unpaid rent or Advance Rental; and,
- Should the payment received be insufficient to completely settle any outstanding obligation, whether covered in one statement of account or billing or otherwise, subsequent payments that may be made to LGU-NAGA shall first be applied to the settlement of such remaining outstanding obligation.

SECTION 10. MAINTENANCE OF LEASED FACILITIES. The prospective lessee must have surveyed the leased facilities before submitting a Bid. Any bidder must be aware as to the facility's viability as venue for hosting sports competitions and other local, regional, national or international events.

Maintenance of the leased facilities to ensure that they are suitable and available at all times, as well as the security thereon, shall be at the sole account of the lessee. However, major repairs due to damages brought by force majeure, such as typhoon, earthquake, fire, war, civil unrest or other similar circumstance, shall still be borne by the lessee, but shall be considered by LGU-NAGA as advance rentals.

SECTION 11. DURATION OF LEASE. The maximum lease term that prospective lessors may bid is fifteen (15) years, renewable for a maximum of another fifteen (15) years, with provisions that the terms and conditions of the lease must be reviewed every after five (5) years from the effectivity of the lease.

In the renewal of the lease, a written notice given at least twenty (20) days prior to the expiration of the lease must be sent by the lessee to LGU-Naga.

The foregoing notwithstanding, until such time that the parties execute a written renewal, it shall be understood that there is an implied new agreement on a month-to-month basis and under the same terms and conditions when the lessee continues to use the Leased Premises after the expiration of its lease or the renewal thereof without objection from LGU-NAGA. This will ensure continuity of the operations of the Metro Naga Sports Complex for the benefit of the Nagueños, particularly for the young athletes of Naga.

SECTION 12. TURN-OVER OF IMPROVEMENTS. At the end of the lease term, all permanent improvements and appurtenances introduced by the lessee shall be fully turned over to the City Government of Naga, unless the lease contract between the lessee and LGU-Naga is renewed.

SECTION 13. OTHER TERMS AND CONDITIONS. In the lease of the aforesaid portions of the Metro Naga Sports Complex, the lessee must acknowledge and commit to the following:

- a) The lessee shall have the primary and preferential right over the leased premises, but it shall ensure that LGU-Naga shall be allowed access and use of the same for the following purposes:
 - Palarong Panlungsod, Palarong Bicol and Palarong Pambansa
 - Miss Bicolandia
 - Events related to the Peñafrancia Fiesta where the city is co-host
 - Thirty (30) days, exclusive of the above-enumerated events, whether continuous or broken, of free use by LGU-Naga of the said facilities for whatever occasion or event duly-approved by the City Mayor. For this purpose, LGU-Naga and the lessee shall maintain a book of account or a register of activities wherein the activities charged against the said free use shall be recorded.
- b) The lessee must warrant that it will allow the free use of the Leased Facilities for training or practice of athletes who have won in any event in the Palarong Panlungsod. For this purpose, the lessee and LGU-Naga shall set up an Athlete Registry System;
- c) The lessee must concur to the continuous stay and use of the Naga City Children's Home in the Metro Naga Sports Complex, provided that, within two months after the effectivity of the Lease, LGU-NAGA shall endeavor to install a sub-meter for the water and electricity in the Naga City Children's Home and consequently pay its water and electricity expenses.
- d) Whenever required by statutes or any government rule or regulation, the lessee must secure the necessary permits before the holding of any event and/or occasion in the leased areas.
- e) Any substantial alteration in the existing facilities of the Metro Naga Sports Complex which the prospective lessee shall implement in the leased premises shall be with the prior written consent of LGU-Naga.

- f) Any additional facilities sought to be introduced by the Lessee to the Metro Naga Sports Complex not included in its submitted proposal/bid shall also be with the prior written consent of LGU-Naga.

SECTION 14. SALE OF THE PROPERTY BY LGU-NAGA. In the remote chance that LGU-NAGA decides to sell or transfer its right over the Leased Premises to another, it warrants that the new owner of the Leased Premises or any individual who has gained rights over the same shall honor and respect the Lease, and further guarantees that the rights granted to the Lessee under this Ordinance shall not be disturbed or adversely affected thereby.

SECTION 15. PROHIBITION ON TRANSFER OF RIGHTS BY THE LESSEE. The Lessee is not allowed to and shall not assign or transfer its rights under this Lease to another party.

SECTION 16. DEFAULT BY LESSEE. LGU-NAGA shall have the right to cancel or terminate the Lease without need of legal or judicial action or order, upon the occurrence of any of the following events ("Event of Default"), by giving 20-day written notice to the Lessee:

- a) The Lessee shall have failed to pay, after exhaustion of its advance rentals, the monthly rent for at least two (2) months; or
- b) The Lessee shall have become insolvent or be unable to pay its debts when due or shall commit or permit any act of bankruptcy under applicable laws.

SECTION 17. CONSEQUENCES OF DEFAULT - Upon occurrence of any event of Default under the immediately preceding section, LGU-NAGA shall be entitled to exercise the following remedies:

- (a) LGU-NAGA shall be entitled to collect from the Lessee the rental fee due, including the corresponding interest and/or penalties and terminate the Lease, at its option. Should LGU-NAGA opt to terminate the Lease under this circumstance, it shall be entitled to collect from the Lessee 50% of the rental fee corresponding to the unexpired period of the Lease Term, and apply the advance rental, if any. The foregoing notwithstanding, nothing herein precludes LGU-NAGA from allowing the Lessee to continue with the lease under the terms and conditions hereof, upon the Lessee's payment of the rental due and its corresponding interests and/or penalties as aforementioned.
- (b) Section 16(b) hereof shall be subject to the applicable laws, rules or regulations on insolvency or bankruptcy.
- (c) In the event that the Lessee defaults on its obligations, it shall be liable for attorney's fees, the costs of the litigation and other expenses which LGU-NAGA may incur in enforcing its rights and interests against the Lessee.

SECTION 18. LIABILITY FOR LOSS, DAMAGE, INJURY, DEATH. The Lessee shall assume full responsibility for any loss of or damage to properties, and/or injury to or death of LGU-NAGA's personnel or authorized representatives or third persons that may occur in the Leased Facilities and binds itself to hold LGU-NAGA free and

harmless and fully indemnified from any and all claims for damage, loss, injury or death, except when such loss or damage to property or injury or death of a person is directly, solely and exclusively caused by LGU-NAGA or its duly authorized agent or representative while using the Leased Facilities.

SECTION 19. ABANDONMENT. The Lessee shall not abandon the Leased Facilities while the lease remains in force and effect. The Lessee shall be deemed to have abandoned the said Leased Premises and the Lease is deemed terminated without need of any court action, in case of desertion, continuous closure or non-use thereof within a period of ninety (90) days or more

SECTION 20. FORCE MAJEURE. Unless otherwise expressly stipulated, no party shall be liable to the other for failure to perform any of its obligations under the Lease by reason of fire, flood, strikes or other industrial disturbances, accidents, war, riot, insurrection, pandemic, government order or restrictions or other causes beyond the reasonable control of the affected party, provided that no fault or negligence is attributable to the said affected party.

SECTION 21. VENUE. Should any court action be filed by LGU-Naga or by the Lessee for breach of any of the covenants and stipulations in the Lease, both shall agree to submit to the venue and jurisdiction of any appropriate court within Naga City only, to the exclusion of all other courts.

SECTION 22. BIDDING PROCEDURES. Within ten (10) working days from the effectivity of this Ordinance, the Secretary to the Sangguniang Panlungsod shall cause (i) the publication of this Ordinance with the Invitation to Bid, once a week for two (2) consecutive weeks, in a newspaper of general circulation in Naga City, and (ii) the posting of this Ordinance with the Invitation to Bid in three (3) conspicuous places of the City Hall Compound, and in the Naga City website.

Within ninety (90) days from the date of posting or publication of this Ordinance with the Invitation to Bid, whichever comes first, Bids for the lease of the Metro Naga Sports Complex shall be submitted to the Bids and Awards Committee. After the lapse of said ninety (90) day period, no more bids, including replacement or amendment of bids, can be allowed.

SECTION 23. EVALUATION CRITERIA AND REQUIREMENTS TO BIDDERS. After the ninety (90) days period provided in the immediately preceding Section, the Bids and Awards Committee shall evaluate the Bids submitted using the following criteria:

CRITERIA	PERCENTAGE
Proposed Lease Value, including proposals for escalation and proposed lease term	10%
Operations Concept	40%
Expertise and Experience in Sports Education and Management	25%
Financial Capability	25%

For this purpose, bidders shall be required to submit the following:

I. Bidder's signed proposal on the Lease Amount and Lease Term, including proposals for escalation, if any, for the Leased Areas

II. Operations Concept

II.a. Signed conceptual design and description of Bidder's planned business use and activities, features and amenities, to include:

1. Description of activities, improvements and amenities to be put up in the leased areas;
2. Architect's design perspective;
3. Site Plan, including a description of spaces to be used; and
4. Estimated timeframe.

II.b. Complete set of building plans (architectural, structural, mechanical, electrical and sanitary plans

II.c. Bill of Materials and Specifications

II.d. Signed work plan and schedule, including major development milestones, timetable and schedule of capital investment commitment;

II.e. Signed solid and waste management plan

II.f. Signed maintenance plan and schedule for the duration of the lease period, including repainting and minor renovations

II.g. Plans for Sports Development and Tourism during the duration of the Lease.

III. Expertise and Experience

III.a. Signed list of projects on sports education and management with a minimum of five years of operations.

III.b. Supporting documents to prove ownership, operations or management of the above-listed projects.

IV. Financial Capability

IV.a. Audited Balance Sheet, Income Statement and Auditor's Report, stamped "received" by the BIR or its duly-accredited and authorized institutions for the Calendar Years 2017 to 2022 showing, among others, the Bidder's total and current assets and liabilities;

IV.b. Financing plan specifying fund sources for the proposed Project Cost, including list of fund sources to finance the project;

IV.c. 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

The Bidder with the Highest Points generated based on the aforementioned criteria shall be recommended by the BAC to the City Mayor for award as the Winning Bidder.

SECTION 24. FAILURE OF BIDDING. In the event of Failure of Bidding, the City Government of Naga may resort to negotiated lease of the Metro Naga Sports Complex. There is failure of bidding in the happening of any of the following:

- a. The City Government of Naga does not receive any bid for the lease of the Metro Naga Sports Complex within the period for submission of bids under Section 22;
- b. All bids submitted provide for a monthly rental below the minimum amount provided in Section 6 above;
- c. All bidders fail to meet the minimum, qualifications of bidders as provided in Section 4; and
- d. All submitted bids fail to meet the minimum criteria and requirements set forth under this Ordinance, including the required terms and conditions.

SECTION 25. RESERVATIONS. LGU-Naga 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 that the same will not result in the increase of the proposed Project Cost.

SECTION 26. 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 27. EFFECTIVITY. This Ordinance shall take effect immediately upon publication thereof in a newspaper of general circulation in the City of Naga.


ENACTED: August 22, 2023


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WE HEREBY CERTIFY to the correctness of the foregoing ordinance.

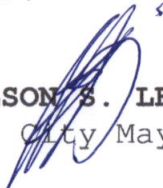

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APPROVED:


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City Mayor


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