


Republic of the Philippines
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
East Service Road, South Superhighway, Taguig City

84th TESDA BOARD MEETING

17 December 2012; 2:00 p.m.
7th Floor TESDA Board Room, Office of the Chair
Taguig City

Resolution No. 2012- 
(Page 1 of 4 pages)

APPROVING THE ACQUISITION OF THE LOT AND BUILDING ON A LEASE-PURCHASE SCHEME FOR THE TESDA XI REGIONAL OFFICE AND DAVAO CITY/DAVAO DEL SUR PROVINCIAL OFFICE

WHEREAS, paragraph 3, Section 8 of Republic Act No. 7796, otherwise known as the "Technical Education and Skills Development Act of 1994", grants the TESDA Board the power to enter into, make, execute, perform and carry out domestic and foreign contracts subject to existing laws, rules and regulations;

WHEREAS, in the exercise of this power, the TESDA Board shall approve all contracts both local and foreign entered into by the Technical Education and Skills Development Authority (TESDA);

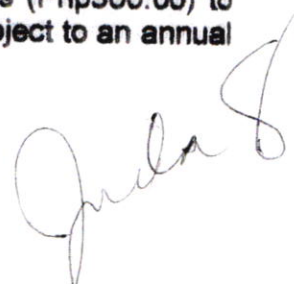
WHEREAS, Section 17 of the General Provisions of General Appropriations Act (GAA) of FY 2012 authorized the departments, bureaus, offices or agencies to use its annual rental appropriations for office space or building for the acquisition of its office building under a lease-purchase agreement provided that the annual appropriations for the purpose at any given year shall not exceed the annual rental appropriation at the time of signing of the lease-purchase agreement;

WHEREAS, the clients and personnel of TESDA XI Regional Office (RO), Davao City/Davao Del Sur Provincial Office (PO) and Commission on Audit (COA) Office now require an office space of seven hundred (700) to one thousand (1,000) square meters and above;

WHEREAS, the TESDA XI Regional Office and Davao City/Davao Del Sur Provincial Office are only renting an office building up to the present with a lot area of two hundred fifty-six (256) square meters and occupying a space of five hundred (500) square meters, more or less;

WHEREAS, the abovementioned offices realized the need to transfer to another office with a bigger space in order to be more accessible and productive in the delivery of public service;

WHEREAS, per survey made by the TESDA Region XI Office, the prevailing office rental in Davao City is ranging from Three Hundred Pesos (Php300.00) to Three Hundred Fifty (Php350.00) per square meter per month subject to an annual increase of ten percent (10%);



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Resolution No. 2012-15
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**APPROVING THE ACQUISITION OF THE LOT AND BUILDING ON A LEASE-
PURCHASE SCHEME FOR THE TESDA XI REGIONAL OFFICE AND DAVAO
CITY/DAVAO DEL SUR PROVINCIAL OFFICE**

WHEREAS, the fund requirement to pay the monthly rentals to accommodate the above two (2) offices would range from Three Hundred Thousand Pesos (Php300,000.00) to Three Hundred Fifty Thousand Pesos (Php350,000.00) for the one thousand (1,000) square meters office space;

WHEREAS, in order to maximize the use of the government's resources, the abovementioned offices find it beneficial for the government to better acquire a lot and building of its own, on a lease purchase scheme, adopting the authority cited in Section 17 of the GAA of FY 2012;

WHEREAS, in adopting the lease-purchase scheme of acquiring the lot and building, the monthly rental expenses of the abovementioned offices would be converted into long-term assets after the repayment period of fifteen (15) years;

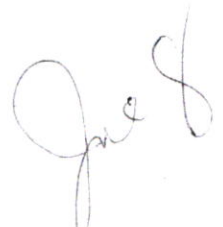
WHEREAS, during the 81st TESDA Board Meeting held last 12 December 2011, a TESDA Board Resolution No. 2011-17 on "Approving the Acquisition of Lot and Building on Lease-Purchase Scheme for the TESDA XI Regional Office and Davao City/Davao Del Sur Provincial Office" was approved by the TESDA Board;

WHEREAS, the Amanah Islamic Bank, a former Government Owned and Controlled Bank, was approved through TESDA Board Resolution No. 2011-17 to finance the acquisition of a lot and building on a lease-purchase scheme for the abovementioned offices;

WHEREAS, due to the privatization of the Amanah Islamic Bank in the year 2012, the said bank could no longer process the loan financing of TESDA XI;

WHEREAS, the only way to acquire a lot and building for TESDA XI Regional Office is through a Contract of Lease with Purchase Agreement of which no other government bank can facilitate;

WHEREAS, Ms. Gina C. Tan, a private individual, agreed to sell her properties subject of this Resolution under a lease-purchase scheme to TESDA to cover the abovementioned requirement;



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WHEREAS, in the event that the Capital Outlay of Twenty Seven Million Three Hundred Thousand Pesos (Php27,300,000.00) endorsed by the Regional Development Council XI would realized in FY2013 or in the next year/s to come, the proceeds therefrom shall be used to pay Ms. Gina C. Tan in full and thus, save the agency from paying further rentals;

WHEREAS, the lot and building proposed to be acquired on a lease-purchase scheme is described as follows:

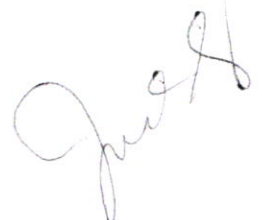
Location: 616 Interior 2, Rimas St., J. P. Laurel Avenue, Davao City
TCT No.: 146-2012011410
Lot Area: 600 sq. meters
Floor Area: 500 sq. meters for the existing three (3) building structures

WHEREAS, the fixed monthly rental of the lot and building, if subjected to a lease-purchase scheme, would amount to Two Hundred Twenty Two Thousand Seven Hundred Seven Three Pesos (Php222,773.00) inclusive of Value Added Tax (VAT) and Expanded Withholding Tax (EVAT) for fifteen (15) years as the case maybe;

WHEREAS, per Cost Benefit Analysis in adopting the lease-purchase scheme, the Net Benefit of the Agency is estimated to be more than One Hundred Eighty Seven Million (Php187,000,000.00) in the first twenty (20) years;

WHEREAS, in the 62nd and 63rd Finance Committee TESDA Board-TESDA Secretariat Consultation Meetings on 08 October 2012 and 12 December 2012, respectively, the Members of the Committee deliberated on the proposal and recommended its approval by the TESDA Board;

WHEREAS, in the 81st EXCOM-TESDA Board Meeting on 14 December 2012, the Members of the EXCOM-TESDA Board further deliberated on the report of the Members of the Finance Committee, after which, it decided to recommend its approval to the TESDA Board;



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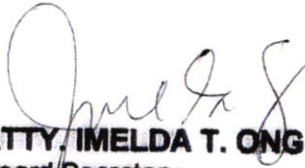
NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, that the TESDA Board in its meeting today, 17 December 2012, approves the acquisition of a lot and building on a lease-purchase scheme for the TESDA XI Regional Office and Davao City/Davao Del Sur Provincial Office. The monthly rentals are to be charged against the annual budget of General Fund 101 of the acquiring offices subject to the approval of the Department of Budget and Management (DBM);

BE IT RESOLVED FURTHER, that the TESDA Board authorizes Secretary Emmanuel Joel J. Villanueva, Director General of the Technical Education and Skills Development Authority (TESDA), to sign the final terms and conditions of the contract in behalf of TESDA subject to the following:


1. The acquisition through lease-purchase agreement shall be subject to DBM rules and regulations;
2. Structural worthiness shall be one of the considerations in the acquisition; and
3. There shall be certified appraisal value of the property to be acquired.

BE IT RESOLVED FINALLY, that copy of this Resolution be disseminated to all concerned offices.

Approved this 17th day of December 2012.


ATTY. IMELDA T. ONG
Board Secretary

Attested by:


SEC. EMMANUEL JOEL J. VILLANUEVA
Alternate Chair, TESDA Board
Director General, Technical Education and Skills
Development Authority (TESDA)