

REQUEST FOR PROPOSAL

REFERENCE NO.: MR25-05-054

We are inviting all interested consultancy firms to submit their best proposal for the PROCUREMENT OF CONSULTANCY SERVICES FOR THE MARKET STUDY ON PROPERTY LEASING FOR THE NATIONAL DEVELOPMENT COMPANY

TERMS OF REFERENCE

These Terms of Reference (TOR) refer to the procurement of consulting services required by the National Development Company (NDC) for the market study and the determination of the current industry practice for the lease of lands and buildings that will serve as the basis for the formulation of lease guidelines.

I. PURPOSE OF THE STUDY

NDC engages a professional consulting service provider ("Service Provider") to conduct a market study that will provide accurate and reliable market data to guide decision-making in property leasing and serve as the foundation for formulating the lease guidelines that ensure financial sustainability, responsiveness to market dynamics, and alignment with best practices in the real estate industry.

II. SUBJECT OF THE MARKET STUDY

1. NDC-owned buildings:

- NDC Building – located at 116 Tordesillas Street, Salcedo Village, Makati City; and
- I&I Building – located at 385 Sen. Gil J. Puyat Avenue, Makati City

2. Comparable buildings within the vicinity where the properties are located.

III. OBJECTIVES

A. Market Study

The study aims to:

1. Analyze Market-Based Lease Rates
 - Establish competitive, market-aligned lease rates for NDC-owned buildings by considering economic trends, industry benchmarks, and property-specific factors.
2. Evaluate Supply & Demand Conditions
 - Assess current supply and demand conditions in commercial real estate markets relevant to NDC-owned buildings.

3. Competitive Benchmarking
 - Compare NDC's existing lease rates with similar government and private-sector buildings to identify competitive positioning.
4. Provide Strategic Recommendations
 - Deliver actionable recommendations on lease pricing, escalation rates, and other leasing policies to optimize revenue while ensuring sustainability.
5. Establish Rent-Free and Escalation Mechanism
 - Propose a standard mechanism for determining reasonable and market-responsive escalation rates and rent-free periods for fit-out or improvements.

B. Lease Guidelines Formulation

The Service Provider shall formulate comprehensive, uniform lease guidelines for all NDC properties to ensure consistency, transparency, and adherence to industry best practices.

IV. SCOPE OF WORK

The Service Provider shall undertake the following:

A. Market Study on Lease Rates

1. Market Scanning & Data Collection
 - Conduct a comprehensive survey of lease markets in Metro Manila's key Central Business Districts (CBDs), including Makati, Bonifacio Global City (BGC), Ortigas, Alabang, and Quezon City.
 - Identify and analyze lease rates for comparable properties in the Makati CBD and other relevant business districts.
 - Collect data from multiple sources, including real estate listings, brokers, property managers, and relevant government sources.
 - Categorize properties by type (office, commercial, industrial, residential, vacant lots), classification (Grade A, B, C), locational attributes, including accessibility, infrastructure proximity, zoning, and catchment demographics.
2. Comparative Lease Rate and Market Positioning Analysis
 - Assess factors influencing lease rates, such as economic conditions, occupancy levels, supply-demand trends, and infrastructure developments.
 - Benchmark NDC's current lease rates against comparable government-owned and private-sector properties in relevant locations.
 - Normalize and compare lease structures using:
 - Rent per square meter per month (PHP/sqm/month)
 - Common Area Maintenance (CAM) charges
 - Escalation clauses and annual adjustments
 - Tenant incentives (e.g., rent-free periods, fit-out allowances)
 - Evaluate influencing factors on lease pricing, such as:
 - Building age, design, and amenities
 - Sustainability certifications (e.g., BERDE, LEED)
 - Tenant profile, demand trends, and lease term preferences
 - Accessibility and public infrastructure proximity

3. Trend and Risk Analysis
 - Analyze historical lease rate trends and rental growth patterns to identify fluctuations and long-term market movements.
 - Assess key risks and pricing factors, including market volatility, regulatory changes, economic downturns, and other emerging challenges, such as:
 - Increased vacancy rates due to pre-termination, termination of lease agreements, rightsizing, and hybrid work.
 - Industry-specific challenges (e.g., decline in POGO sector, office oversupply)
 - Market oversupply of office, commercial, and residential spaces, leading to heightened competition and potential downward pressure on rental rates.
 - Economic indicators (e.g., GDP, inflation, interest rates)
 - Regulatory changes (e.g., CREATE Law, tax reforms)
 - Infrastructure disruptions and locational disadvantage
4. Stakeholder and Competitive Intelligence Mapping
 - Profile major landlords and competitors within target districts
 - Assess their:
 - Pricing and leasing strategies
 - Market share and tenant segmentation
 - Occupancy levels and promotional practices
 - Incorporate tenant feedback and leasing sentiments, where feasible, through broker interviews or structured surveys
5. Financial Modeling and Scenario Testing
 - Develop a financial model simulating potential revenue under different leasing strategies and market conditions.
 - Conduct scenario testing based on:
 - Vacancy fluctuations
 - Varying escalation rates
 - Shifts in demand elasticity
 - New developments in adjacent locations
6. Policy and Compliance Review
 - Assess NDC's existing lease practices, procedures, and pricing governance against:
 - Government Accounting and Auditing Manual (GAAM)
 - Commission on Audit (COA) circulars
 - Best practices in public-sector real estate management
 - Recommend internal pricing mechanisms, approval protocols, and controls for audit readiness and lease rationalization.
7. Determination of Lease Rates for NDC Properties
 - Recommend updated, competitive, and market-aligned lease rates for NDC properties, backed by comprehensive market research, benchmarking, and comparative analysis of similar properties.
 - Formulate structured leasing guidelines that include mechanisms for escalation rates, rent-free periods, security deposits, advance rental, including provisions for brokers' commission, and an exemption for specific cases, ensuring that NDC's

leasing policies remain strategic, adaptive to market conditions, and financially sustainable over the long term.

B. Lease Guidelines

Based on the results of the Market Study on Lease Rates, the Service Provider shall develop a set of data-driven and policy-compliant Lease Guidelines to optimize the lease strategy of the NDC.

The guidelines shall serve as a framework for standardizing lease terms, improving portfolio performance, ensuring transparency and competitiveness in leasing transactions, and alignment with current real estate industry best practices.

The guidelines shall cover, but not be limited to, the following components:

1. Foundational Lease Framework
 - Definition of key real estate and lease terms to ensure clarity and avoid ambiguity in agreements.
 - Classification of property types (commercial, office, industrial, residential, agricultural, special-use) and corresponding lease treatment.
 - General leasing principles and policies (e.g., revenue maximization, equitable access, long-term value protection).
 - Alignment with national government property management policies, real estate regulations, and COA circulars, where applicable.
2. Basic Lease Terms and Conditions
 - Uniform lease contract provisions, including, but not limited to:
 - Lease Duration and Renewal Options
 - Lease Rate Structure and Adjustment Mechanisms
 - Rent-Free Periods and Justifications
 - Fit-Out and Renovation Policies
 - Advance Rentals, Upfront Payments, and Payment Schedules
 - Security Deposit
 - Late Payment Interest and Penalties
 - Escalation Rates
 - Use Restrictions and Operating Hours
 - Termination Clauses and Early Exit Policies
 - Assignment, Subletting, and Change of Control Provision
 - Force Majeure, Legal Compliance, Dispute Resolution, and Applicable Law
 - Provision for cost-sharing arrangements on utilities, maintenance, and taxes (as applicable).
3. Financial Due Diligence and Lessee Evaluation
 - Standard criteria for evaluating the financial capability, legal standing, and operational credibility of prospective lessees.
 - Required documents such as audited financial statements, tax clearances, bank certifications, business permits, SEC/DTI registrations, etc.
 - Risk categorization matrix and mitigation measures (e.g., higher deposits for riskier lessees).
 - Checklist for use in evaluation/reviews.

4. Government-to-Government Transactions
 - Protocols and policy considerations for leasing to national government agencies, LGUs, and GOCCs.
 - Guidelines for pricing adjustments, subsidies, or discounts consistent with legal mandates and public interest objectives.
 - Required documentation and Memorandum of Agreement (MOA) templates for inter-agency leases.
5. Property Valuation and Lease Rate Determination
 - Criteria for establishing base rental rates (e.g., market comparables, potential use, site condition).
 - Procedures for periodic property valuation and justification of rate adjustments.
 - Accreditation and engagement guidelines for independent third-party appraisers.
 - Establishment of a centralized lease rate database for benchmarking and decision-making.
6. Real Estate Broker Engagement and Incentives
 - Broker accreditation guidelines, including eligibility criteria, documentation, and renewal procedures.
 - Prescribed commission structures and performance-based incentives, aligned with market benchmarks.
 - Conflict-of-interest safeguards and anti-corruption provisions in broker engagements.
 - Standard broker engagement contracts and codes of conduct.
7. Documentation and Legal Requirements
 - Mandatory documentation checklist for lease application, approval, and execution.
 - Templates for key legal instruments: Lease Agreements, Contract Addenda, Letters of Offer, MOUs, etc.
 - Lease approval clearance process aligned with the Government Procurement Reform Act and other applicable regulations.
 - Compliance monitoring and documentation protocols for lease audits and inspections.
8. Lease Negotiation and Approval Process
 - Step-by-step workflow for lease offer evaluation, negotiation, selection, and final approval.
 - Delegation of authority matrix for lease approvals based on transaction value, term length, or property category.
 - Guidelines for handling unsolicited proposals, unsolicited lease extensions, and re-negotiations.
 - Provision for special transaction reviews (e.g., unsolicited bids, unsolicited lease extensions, joint ventures).
9. Special Provisions
 - "As-is, where-is" clauses with detailed disclosures and tenant/ lessee obligations.
 - Health, safety, and environmental (HSE) compliance clauses.

10. Monitoring, Review, and Updating

- Guidelines for the regular review and periodic updating of lease policies (e.g., every 3–5 years or as needed).
- Performance evaluation tools and KPIs for lease portfolio performance (e.g., occupancy rate, rent collection rate, lease renewal rate).
- Digital tracking and reporting mechanisms to enhance lease administration efficiency.

V. DELIVERABLES AND REPORTING REQUIREMENTS

The Service Provider shall ensure the timely submission of the following:

1. Inception Report

- Study methodology, work plan, timeline, and data sources.

2. Market Study Report

- Assessment of lease rates, market trends, competitive benchmarks, and strategic recommendations for NDC properties.

3. Lease Guidelines

- Structured leasing policies, financial considerations, escalation rates, incentives, and standard lease terms to ensure market alignment and sustainability.

4. Final Report & Presentation

- A consolidated report summarizing key findings, refined lease guidelines, and final recommendations, presented to NDC.

All reports shall be submitted in both printed and digital formats, incorporating graphical data visualizations, comparative analyses, and executive summaries for ease of interpretation and decision-making.

VI. EXPECTED OUTPUT

1. Market Study on Lease Rates

- A detailed market analysis report providing benchmark lease rates for selected NDC properties, including key findings, comparative data, and recommendations based on prevailing market conditions.

2. Lease Guidelines

- A comprehensive set of lease policies and procedures applicable to all NDC properties, aligned with real estate industry best practices, legal and regulatory requirements, and tailored to the diverse nature of NDC's real estate portfolio.

VII. SERVICE PROVIDER QUALIFICATION REQUIREMENTS

The Service Provider must meet the following minimum qualifications:

1. NDC requires the services of a qualified real estate services consultancy firm with proven expertise and extensive experience in the conduct of market studies and formulating lease

guidelines across various classifications of real property, including commercial, office, industrial, residential, and other asset types.

2. The Service Provider must have at least twenty (20) years' experience in the field and have completed at least three (3) similar studies/projects in the conduct of market studies and /or lease guidelines formulation, and at least two (2) other studies/projects related in nature.
3. At least two (2) certificates of satisfactory completion for similar or related market studies and/or lease guidelines should be provided. At least one completed similar project should have a project cost equivalent to at least P500,000.00.
4. Demonstrated expertise in conducting market studies and/or formulating lease guidelines for government agencies, GOCCs, or private-sector clients.
5. Must have access to comprehensive, updated, and credible real estate market data from industry sources, property developers, and relevant agencies.
6. Strong quantitative and qualitative analytical skills, with proven ability to produce clear, data-driven reports and strategic recommendations. Client references and sample reports may be required as proof of capability.
7. The Service Provider will put together a team of specialists for expeditious and effective execution of the services required. The suggested Managerial, Technical, and Support Staff requirements are as follows:

Team Composition	Position	Task
A. Team Leader	Project Director	Oversee the timely delivery of output, ensuring standards and quality of reporting are aligned with what was committed, while leading market research.
B. Technical/ Managerial Staff	Manager	Ensure the market study report aligns with consultancy standards, overseeing quality and consistency in reporting.
C. Support Staff	Project Manager	Oversee and lead the study, ensuring accuracy of research methodology and alignment of the financial analysis with the project objectives.
	Lead Research Analyst	Leads the real estate market research and comprehensive analysis, ensuring data accuracy.
	Research Analyst	Assist the Lead Research Analyst in data collection, analysis, and reporting, ensuring thorough and accurate research support.
	Lead Financial Analyst	Leads the development conceptualization, project planning, and financial analysis,

		ensuring its alignment to the results of the market data.
	Financial Analyst	Assist the Lead Financial Analyst in developing marketing and development plan and financial analysis, ensuring detailed and accurate support.
	Project Associate	Support the consultant analyst and financial analyst in data collection, analysis, reporting, ensuring accuracy and thoroughness of tasks assigned.
	Project Coordinator	Provide overall support to the project, handling general tasks required by the team and assist in data gather as needed.

VIII. EVALUATION PROCEDURE AND CRITERIA

The method of evaluation is Quality-Cost Based Selection (QCBS)

The evaluation criteria for the Technical and Financial Proposal are based on the following:

Technical Proposal (70%) – Minimum 60
Financial Proposal (30%)

EVALUATION CRITERIA FOR TECHNICAL AND FINANCIAL PROPOSAL

A. TECHNICAL PROPOSAL (70%) – Minimum 60%

I. Summary

Criteria	Max Score	Actual Score
1. Service Provider's work experience in preparation of Market Study and Lease Guidelines formulation within the last five (5) years (2020-2024) with a total of at least 5 projects (3 similar and 2 related) completed, with amounts of not less than P500,000 (for at least one similar project)	55	
2. Qualifications and competence of personnel to be assigned to the project	40	
3. Adequacy of the work plan in responding to the TOR	5	
Total	100	

II. Details

Criteria	Max Score	Actual Score
1. Work experience of the real estate appraiser/developer firm relevant to the job assignment	55 points	
a. Market Study or similar projects or studies conducted	35 points	
6 or more studies	35	
5 studies	30	
4 studies	25	
3 studies	20	
b. Related projects in Market Study and Lease Guidelines formulation	20	
2. Qualifications and competence of personnel to be assigned to the project	40 points	
a. Experience in the preparation of Market Study and Lease Guidelines formulation	24 points	
i. Team Leader		
• With at least 10 years	11	
• With 5 years	7	
• With 3 years	3	
ii. Financial Specialist		
• With at least 5 years	6	
• With 3 years	3	
iii. Technical Specialist		
• With at least 5 years	6	
• With 3 years	3	
iv. Financial/Technical Assistant		
• With 2 years	1	
b. Education	11 points	
i. Team Leader		
• With MS or PhD relevant to the job	5	
• With BS degree relevant to the job	2.5	
ii. Financial Specialist		
• With BS degree relevant to the job	2.5	
iii. Technical Specialist		
• With BS degree relevant to the job	2.5	
iv. Financial/Technical Assistant		
• With BS degree relevant to the job	1	
c. Length of Service with Firm	5 points	
i. Team Leader		

• With 3 or more years with the firm	1.5	
ii. Financial Specialist		
• With at least 2 years with the firm	1.5	
iii. Technical Specialist		
• With at least 2 years with the firm	1.5	
iv. Financial/Technical Assistant		
• With at least 6 months with the firm	.5	
3. Adequacy of the work plan in responding to the TOR	5	
a. Completeness and clarity of proposal		
• Soundness and quality of work program/plan	2.5	
• Clarity of presentation/organization of the proposal	2.5	

B. FINANCIAL PROPOSAL

Using the formula: $Sf = 100 \times FI/F$

Where:

Sf = Financial Score of the financial proposal under consideration

FI = Price of the lowest financial proposal

F = Price of the financial proposal under consideration

IX. TIMETABLE AND CONTRACT COST

The Consultancy contract is a fixed-price contract. The services shall be completed within **twelve (12) working weeks**, exclusive of the period for NDC review/comments of the Consultant's output or deliverables.

The Approved Budget for the Contract (ABC) is Pesos: Five Hundred Thousand (**P500,000.00**), inclusive of Value-Added Tax, all out-of-pocket expenses, and other government taxes.

The mode of payment shall be made as follows:

TIMELINE	OUTPUT	% AMOUNT FROM CONTRACT
A. Market Study Report		
Within the 1st working week from the date of signing of the Agreement	Submission to NDC of the Inception Report indicating the methodology, work, and data collection plan	20%

On the 3rd working week from the date of the signing of the Agreement	Submission of the Draft Market Study Report (Condensed Report) for confirmation to finalize or provide feedback	25%
On the 6th working week from the date of the signing of the Agreement	Submission of the Final Market Study Report (Written Report)	25%
B. Lease Guidelines		
On the 12th working week from the date of the signing of the Agreement	Submission of the draft Lease Guidelines	30%
Within five (5) working days from the date of confirmation to finalize the draft Lease Guidelines	Submission of the Final Lease Guidelines	
	TOTAL	100%

X. PERFORMANCE SECURITY

The Winning Bidder shall submit a Performance Security as required under Section 37.2.1 of the 2016 Revised Implementing Rules and Regulations of R.A. 9184.

XI. FINAL PROVISION

1. The NDC retains full ownership of all data, reports, and materials produced, and
2. The Service Provider must maintain the confidentiality of all proprietary information.

Eligibility Requirements shall include the following:

1. Valid and current Mayor's Permit (certified true copy), for Individuals, BIR Certificate of Registration (certified true copy)
2. PhilGEPS Registration Certificate (certified true copy) or PhilGEPS Registration Number
3. Omnibus Sworn Statement (Notarized and in accordance with GPPB Circular 04-2020 dated September 16, 2020)
4. Professional License / Curriculum Vitae

SUBMISSION OF PROPOSAL AND REQUIRED DOCUMENTS: May 23, 2025

MODE OF PROCUREMENT: Small Value Procurement

Please submit your **proposal with the required documents** in a sealed envelope at the address stated below:

Name of Bidder:

BIDS AND AWARDS COMMITTEE
National Development Company
7/F NDC Building, 116 Tordesillas St.
Salcedo Village, Makati City
Fax: 8840-4862
Attention: BAC Secretariat

Project Reference Number: MR25-05-054

All prices should be inclusive of VAT and other applicable government taxes. Further, please indicate in the proposal the following:

1. Terms of Payment – Government Terms
2. Delivery Period – As stated in the TOR

(SIGNED)

AGM LEOPOLDO JOHN F. ACOT

Chairperson, Bids and Awards Committee