



Republic of the Philippines
IFUGAO STATE UNIVERSITY
Income Generating Projects Office
Nayon, Lamut, Ifugao

August 25, 2016

A N N O U N C E M E N T
**Land Lease at IFSU Lamut Campus for Motorcycle Parts Supply and
Repair Shop(Along National Highway)**

Nayon, Lamut, Ifugao

Business Code : Motorparts

The Ifugao State University is inviting interested entrepreneurs to bid for available Spaces for Lease for Motorcycle Parts Supply and Repair Shop at IFSU Nayon, Lamut, Ifugao. The scheme of business partnership will be a modified Build-Operate-Transfer (BOT).

The following are the pre-qualification requirement for interested bidders:

1. Letter of Intent
2. Business Plan/Proposal

Important Reminder:

Interested bidders should not have any liability from the university. Also, winning bidders are expected to process all necessary business documents such as Mayor's and DTI Permits.

For further inquiries, you may email ndimog@yahoo.com or visit the IGP Office, 1/F Admin. Building, IFSU Main Campus, Nayon, Lamut, Ifugao.

Deadline for submission and opening of sealed bids with the signature of the bidder:
September 2, 2016 (Monday), 10:00 AM at the IGP Office.

Prepared By:



NATHANIEL F. DIMOG
Director for IGP

Approved:



SERAFIN L. NGOHAYON, PH.D.
University President/
Chairperson, IGP-Board of Management

Photo of the Spaces to be Leased and Stall Design



BUSINESS LOCATION

IFUGAO STATE UNIVERSITY

Nayon, Lamut, Ifugao

INCOME GENERATING PROJECTS (IGP) OFFICE

TERMS AND CONDITIONS

LEASE: Php 3,000.00/month

- A. **TERM OF LEASE.** – This contract shall be for _____ months commencing from _____ up to _____, unless earlier terminated in accordance with the provisions hereof.

- B. **RENEWAL OF LEASE CONTRACT.** – This contract may be renewed by mutual agreement of the parties provided that the **LESSEE** requests for renewal at least thirty (30) days before the expiry date hereof and he or she has no outstanding balance for his or her rent or penalties incurred upon the signing of the renewed Lease Contract. Failure on the part of **LESSEE** to make the aforesaid request shall be construed as an intent not to renew the same and the **LESSOR** shall be free to offer the **LEASED PREMISES** to other interested parties.

- C. **STALL CONSTRUCTION AGREEMENT.** – The Lessee shall construct his/her own Commercial Stall following the design made by the IFSU Site Development and Infrastructure Department. All construction expenses duly verified and certified true and correct by the Office of Site Development and Infrastructure shall be deducted from the monthly rent.

The certified construction amount of the stall is _____. Applying the premises above, the said amount shall be fully paid in _____ or _____ years.

- D. **RENTAL PAYMENT and ESCALATION CLAUSE.** – The monthly rental per stall shall be _____. After all deductions in consideration to the premises in Section 3, the net amount shall be paid by the **LESSEES** to the **LESSOR** on or before the 30th day of each month plus point five percent (.5%) surcharge per day in case of delay of payment of rentals or which is paid after the 30th day of each month. The amount shall be exclusive of Expanded Value Added Tax.

In no case should the **LESSEE** incur a balance for the rent or penalties or combined of more than TWENTY-FIVE THOUSAND PESOS (P25,000.00) otherwise a notice to pay shall be issued to him or her to settle his or her balance within five (5) days from receipt of the notice. Should the **LESSEE** fails to comply with the notice to pay, a notice to vacate shall be then issued to him or her followed by the closure of the stall with the termination of the Lease Contract. The remaining unpaid amount used in the construction of the stall shall be subjected for refund.

- E. **SECURITY DEPOSIT.** – Upon the signing by the parties of this agreement, the **LESSEES** shall remit to the **LESSOR** the amount of Thirty Thousand Pesos (P30,000.00) for the stall as Security Deposit for any unpaid utility bills such as electricity, water, telephone, sanitation, sewerage and others, and to answer for any damages which the leased properties may have suffered, as well as to cover any unpaid monthly rent, interest or penalties still outstanding after the termination of this contract. This amount is refundable to the **LESSEES** free of any interest thirty (30) days after the termination of this Contract of Lease subject to the deduction for whatever utility bills and monthly rentals, interests and penalties that have remained unpaid and damages that may have been incurred, provided, that the **LESSEES** shall still be liable for any and all bills, rentals, interests penalties and damages that may exceed the security deposit. The **LESSEES** shall not be allowed to offset or use the security deposit as its monthly rental

payments. However, the security deposit shall be forfeited in favor of the **LESSOR** if the lease contract is pre-terminated by the **LESSEE** for reasons outside of those herein after enumerated.

The **LESSEES** shall likewise pay a one-month advance rental payment in the sum of _____ upon signing of the contract. In the event of changes in the rental rates during the term of the lease, the advance payment shall be adjusted accordingly.

- F. **WITHHOLDING TAX and DOCUMENTARY STAMP TAX** – The withholding tax due shall be paid directly by the **LESSEE** to the Bureau of Internal Revenue (BIR) through its accredited collecting agents on or before the 19th day of following month and a copy of the proof of payment (BIR Form 1601) shall be submitted to the **LESSOR** within ten (10) days after the payment of such amount. On the 20th day of April, July, October and January, the **LESSEE** shall submit to the **LESSOR**, the Certificate of Creditable Tax Withheld at Source (BIR Form 2307) duly signed by the **LESSEES'** authorized representative. In case of failure to pay or underpayment of withholding tax, the **LESSEE** shall be liable to pay the tax, including penalties and surcharges. **LESSEE** likewise agrees to pay Documentary Stamps Tax.
- G. **USE OF LEASED PREMISES AND LIMITATIONS THEREON.** – The **LESSEES** shall use the leased premises strictly and exclusively for _____. If the leased premises are used for other purposes, the **LESSOR** has the option to:
- 1) Rescind the Contract of Lease; or
 - 2) Increase the rent; and
 - 3) Compel the **LESSEES** to stop the activities aside from what is stipulated herein.

In no case shall the leased premises be used for immoral, illicit and illegal purposes.

The **LESSEE** shall comply with all reasonable rules and safety regulations which maybe promulgated from time to time by the **LESSOR** and duly constituted authorities regarding the use, occupancy and sanitation of the leased premises such as business permits, sanitary permit, and fire safety gadgets among others.

- H. **PROHIBITION ON THE TRANSFER OR ENCUMBRANCE OF LEASEHOLD RIGHT.**- The **LESSEE** shall not directly or indirectly sublease, assign, transfer, convey, mortgage or in any way dispose of the leased premises or any other portion thereof under any circumstances whatsoever. It is expressly understood and agreed by the parties, that the personal circumstances of the **LESSEE/s** as herein below represented and the nature of the occupancy of the leased premises as above restricted, constitute and are the special consideration and inducement for the granting of this lease by the **LESSOR**. Consequently, any violation, direct or indirect, of any stipulations hereof shall automatically and unequivocally terminate this contract of lease from the time such violation occurs.

The **LESSEES** are obliged to bring to the knowledge of the **LESSOR**, within the shortest possible time, every usurpation or untoward act which any third person may have committed or may openly be preparing to carry out upon the leased premises.

- I. **IMPROVEMENTS.**- The **LESSEES** shall not make any structural changes, electrical and plumbing installations, alterations, additions or improvements on the leased premises without the prior written consent of the **LESSOR**. Any such alteration or improvements made or introduced by the **LESSEES** on the leased premises shall be a ground for the termination of the contract and the improvement shall be automatically be owned by the **LESSOR** without any obligation to pay or refund the value or cost thereof to the **LESSEES**.
- J. **CARE OF LEASED PREMISES, GENERAL MAINTENANCE, SANITATION, REPAIRS AND SAFETY.**- The cost of general maintenance and upkeep of the leased premises including necessary repairs shall be for the account of the **LESEES**.

The **LESSEES**, shall, at their own expense, maintain the leased premises in a clean and sanitary condition free from noxious odors, disturbing noises or other nuisances. The **LESSEES** or any person acting for and in their behalf shall not in any manner damage or deface any part of the leased premises. Any damage as assessed by the **LESSOR** has to be repaired or restored to its original state by and at the expense of the **LESSEES** within thirty (30) days from date of notification by the **LESSOR**. Without the approval of the **LESSOR**, the **LESSEES** are not allowed to store in the leased premises heavy equipment, metals, obnoxious materials, other substance not necessarily connected with the herein stated purpose of the lease which may be considered as fire hazards and other similar material which may contribute to the obstruction or depreciation of the lease premises.

In case of damage to the leased premises or its appurtenances by fire, earthquake, war or any unforeseen cause, the **LESSEE** shall give notice to the **LESSOR** within a reasonable time. In the event that the **LESSEE** through its own fault or negligence damages the leased premises, or fails to repair the damage within a reasonable time, then the **LESSEE** shall be liable to the **LESSOR** for damages to such other amounts as may be due to the **LESSOR** under this contract and/or the law.

- K. **UTILITIES.** – All expenses for water, electricity, telephone, sanitation, sewerage, gas and other public utility services shall be for the account of the **LESSEES**. The materials and labor costs of installation of utilities within the leased premises shall be for the account of the **LESSEES**, provided that any installation shall be under the supervision of the **LESSOR** or her representative.
- L. **INSPECTION OF THE PREMISES.**- The **LESSOR** reserves the right to enter and inspect the leased premises at reasonable times during the day and with prior notice.
- M. **NON INDEMNITY.**- The **LESSEES** shall hold the **LESSOR** free and harmless from any loss, damage, injury suffered by the **LESSEES**, their agents, representatives or guests or other third persons arising out of the use of the leased premises by the **LESSEES**, their representatives or guests including but not limited to, claims for property damage, personal injury or wrongful death, or losses or damages occasioned by reason of any event or cause which could not be foreseen, or which, though foreseen, were inevitable such as but not limited to fire, earthquake, lightning, typhoons, floods robbery, theft or other crimes. In addition, the **LESSOR** shall not be liable or responsible:
- a) For the presence of bugs, vermin, rats, insects, or other similar creatures, if any, in the leased premises;
 - b) For the failure of electrical and/or water supply due to causes beyond **LESSOR's** control;
 - c) For any injury, loss or damage which the **LESSEES** might sustain while in the leased premises due to causes attributable to the fault of said **LESSEES**, their representatives or guests; and,
 - d) For any damage done or occasioned by, or arising from the plumbing, gas, water, and/or other pipes or air conditioning system, or for the bursting, leaking or destruction of any tank, cistern, washers or other waste pipelines in, above, upon, or about such leased premises, nor for any damage arising from or attributable to acts of negligence of the **LESSEES**, their representatives or guests, or any other person over which the **LESSOR** has no control.
- N. **NON-WAIVER OF RIGHT OR REMEDY.**- The failure of the **LESSOR** to insist upon the strict performance of any of the terms and conditions of the foregoing lease contract shall not be deemed a waiver of any right or remedy that the **LESSOR** may have, nor shall it be construed as a waiver of any subsequent breach or default of its terms and conditions which shall continue to be in force and effect. No waiver by the **LESSOR** of its rights under this Contract of Lease shall be deemed to have been made unless expressed in writing and signed by the **LESSOR**.

- O. **RETURN OF THE LEASED PREMISES.**-Upon termination of this Contract of Lease for any reason whatsoever, the **LESSEES** shall peacefully and immediately vacate the leased premises and immediately vacate the same and return possession thereof to the **LESSOR** in good and tenable condition devoid of all occupants , equipments and effects of any kind within the period specified by the **LESSOR**. Failure of the **LESSEES** to return the leased premises as provided herein shall make them liable to pay damages to the **LESSOR** and/or such other remedies available to the **LESSOR** under this contract or the law.
- P. **LIEN OVER GOODS.** – By way of security for the compliance by the **LESSEE** of all his/her obligations under this contract, the **LESSEE** hereby grants, in favor of the **LESSOR**, a lien over articles located in the leased premises. In the absence of any written notice under oath from the **LESSEE** to the **LESSOR** regarding the ownership of any articles, furniture or equipment brought into the leased premises, the **LESSOR** shall consider the same as owned by the **LESSEE** and subject to the lien hereby constituted.
- Q. **GROUND FOR CANCELLATION.**-The **LESSOR** may cancel or terminate this Contract of Lease, upon the happening of any of the following events, to wit:
- a) Failure of the **LESSEE** to pay any amount due under the lease;
 - b) Use by **LESSEE** of the leased premises for purposes other than that specified herein, without prejudice to the options available to **LESSOR** under the immediately preceding section; and
 - c) Violation by the **LESSEE** of the other terms and conditions of the foregoing contract.
- R. **RIGHT OF LESSOR TO ENTER PREMISES TO RECOVER ACTUAL POSSESSION OF LEASED PREMISES AND TO CUT OFF FACILITIES AND UTILITIES.**- Upon the failure of the **LESSEES** to pay the rental or any amount due or any part thereof herein stipulated, or to comply with the terms and conditions hereof, or failure to vacate and return premises as provided herein, the **LESSOR** or its authorized representative(s) shall have the right to do any or all of the following remedies, to wit:
- a) To withhold or cut off public utilities to the leased premises;
 - b) To prevent or stop egress of items, goods or fixtures from the leased premises;
 - c) Upon five (5) day notice to the **LESSEES**, or upon written notice posted at the entrance of the leased premises for the same period, padlock the leased premises; and
 - d) Upon five (5) day notice to the **LESSEES**, or upon written notice posted at the entrance of the leased premises for the same period, to enter and take possession of the said premises, without need to resorting to any court action, holding, taking custody and impounding such possessions and belongings of the **LESSEE** found therein after conducting inventory. **LESSEES** or any one of them must retrieve the goods within sixty (60) days from notice of inventory and pay whatever amount due the **LESSOR**, otherwise, the **LESSOR** is hereby authorized to sell the goods to recover losses and/or unpaid charges under the lease. All these acts are heretofore consented to by the **LESSEES** without necessity of a suit in court, authorizing the **LESSOR** to use all necessary and reasonable force to break open doors, enter the premises and take actual possession thereof and such entry with use of reasonable force should not be regarded as trespass, or in anywise be considered as unlawful.
- S. **AMENDMENT OR RENEWAL.**- Any amendment to or renewal or extension of this contract shall be made in writing and signed by both parties herein.
- T. **ABANDONMENT OF LEASED PREMISES** – Should the leased premises be deserted or vacated before the expiration of the lease, this contract shall be considered automatically terminated and the **LESSOR** shall have the right to break open or reenter the same, either by force or

otherwise and, thereafter, clear the premises of any property or belongings of the **LESSEE**, to enable the **LESSOR** to re-let the same to any third person. The properties or belongings of the **LESSEE** may, in the meanwhile, be forfeited by the **LESSOR** to answer for any unpaid rents or other obligations due hereunder. The leased premises shall be deemed abandoned under any of the following circumstances:

- (a) Physical absence of all of the occupants of the leased premises for more than fifteen (15) days without notice to the **LESSOR**, unless due to calamities or other events classified as *force majeure*; or,
- (b) With a view to avoid payment of obligations hereunder, the **LESSEE** surreptitiously empties the leased premises of its furniture and fixtures and/or leaves.

U. **VENUE OF ACTIONS.**- All suits arising from, or in connection with the foregoing contract shall be instituted only in the proper courts of Ifugao which shall be considered the exclusive venue to the exclusion of all other courts.

V. **JUDICIAL RELIEF** – Should the **LESSOR** be compelled to seek judicial relief against the **LESSEE**, the latter, in addition to the damages mentioned in the preceding paragraphs, shall pay an amount equivalent to 20% of the amount claimed as attorney’s fees, which, in no case shall be lower than Ten Thousand Pesos (P10, 000.00) and a further sum of Fifty Thousand Pesos (P50, 000.00) should the case be appealed to a higher court, aside from costs and expenses of litigation and other forms of damages, actual or consequential, to which the **LESSOR** may be entitled.

W. **JOINT PREPARATION** – The parties to this Agreement have read and fully understood the provisions, terms and conditions of this Agreement. This agreement is therefore deemed to have been jointly prepared by the parties, and any uncertainty or ambiguity existing in it shall not be interpreted against any party under the presumptions of the Civil Code of the Philippines, but shall be interpreted according to the rules governing the interpretation of contracts.