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3. *How long have you been employed with CEPALCO ?* Ans. I became a regular employee of the Company since January 16, 1974, so that makes me an employee of CEPALCO for more than 30 years now.

4. *How long have you been in your position ?* Ans.: I was appointed to my current position in September 1995, with the rank then of Assistant Vice President.

5. *Aside from being the Head of Administrative Services Division, do you hold other positions in the company ?* Ans.: Yes. I am also a member of various committees, among which is the Management Committee. This committee is composed of key managers of the company whose main function is to recommend policy matters to the President and to Top Management.

6. *What is your involvement in so far as the preparation of this Application ?* Ans.: I was tasked by the Management Committee to head a Task Force that was tasked to come up with recommendations regarding the idea of putting up a main headquarters building in Cagayan de Oro City.

7. *What is this proposed Main Headquarters you mentioned ?* Ans.: The job of the Task Force was to come up with specific recommendations, for presentation to and deliberation by the Management Committee, in connection with the idea of putting up a main headquarters building of the company, that will house the Management Group of the Company, critical functions of the company such as the substation automation central controls, the central 24-hour customer welfare office, information and communications central control, customer training room, a customer-friendly customer service center, and such other necessary incidentals.

8. *Why do you need to have this new Main Headquarters?* Ans.: The company thought of putting up a new main administration because of the problems of congestion in the current main office at Toribio Chaves Street which has caused some delay in catering to the needs of the walk-in customers, especially those who request for service, apply for new connections, pay their bills, and those who come to the office to personally transact business with the company. The current offices also have insufficient working spaces for employees who are based in the main office at Toribio Chaves and in the

1 Engineering Offices at Puntod, Cagayan de Oro City. The new main
2 headquarters will also provide adequate parking spaces for customers and
3 employees. All these summed up, the company is expecting that the space
4 shortage will become worse in the near future because of the projected increase
5 in the number of customers and correspondingly, number of employees.
6

7 *9. How many offices do you have at present ?*

8 Ans.: We have our office located at Toribio Chaves Street, which
9 we call “Main Office” and the engineering office located at Puntod, Cagayan
10 de Oro City. We also have small offices primarily for collection of customer
11 bills at Barangay Bugo, Cagayan de Oro City, and one each in Villanueva and
12 Jasaan. We have another office in Tagoloan which serves as a central office for
13 the area from Cugman, Cagayan de Oro City and the three municipalities.
14

15 *10. How many employees are presently occupying the main office in Toribio*
16 *Chaves Street?* Ans: At present, there are 153 employees housed in the main
17 office at Toribio Chaves Street.
18

19
20 *11. What can you say about the working spaces of the about 153 employees*
21 *occupying the main office building?*

22
23 Ans: The working spaces are inadequate, that in fact we have utilized
24 some of the lobbies as working areas, storage area for some cabinets, and as
25 locker rooms, among other uses. Also, schedules of meetings of committees
26 could not be accommodated immediately because of lack of conference or
27 meeting rooms. Our customers who come to the office are also inconvenienced
28 because of the lack of spaces where they could be accommodated while
29 requesting for service to be rendered, or while paying their bills.
30

31 *12. What is the total floor area of the Main Office ?* Ans.: The total floor area
32 of the current main office is only 2,300 square meters, including the building
33 that is annexed to it with entrance at Tiano Brothers Street.
34

35 *13. What is the area of the lot where this office is located ?* Ans.: The area of
36 the lot on which the current main office is located is almost the same as the area
37 of the ground floor of the building itself. This is because the exterior walls of
38 the current main office have already almost reached the property boundaries.

1 And this includes the building at Tiano Brothers Street which is annexed to the
2 main office building.

3
4 14. *Where do your customers park their cars when they want to go to this*
5 *office ?* : Customers park their vehicles along the left side of Toribio Chaves
6 street, and in other parking sides of nearby streets wherever available. In most
7 cases, however, parking spaces along street sides are not available nearby. In
8 fact, I oftentimes park my car at RN Abejuela or Tirso Neri Street, and
9 sometimes along Pabayo Street or Rizal Street.

10
11 15. *How about your employees, where do they park their cars ?* Ans.:
12 Employees also park their cars in wherever available spaces in parking sides of
13 nearby streets. Employees however are also faced with the same parking space
14 scarcity.

15
16 16. *How many employees do you intend will to transfer to this Main*
17 *Headquarters ?*

18
19 Ans.: We intend to transfer the offices of all managers to the main
20 headquarters, and most of the occupants of the main office at Toribio Chaves,
21 and of the Engineering Offices at Puntod. All in all, this could run to about 120
22 employees in the main headquarters building alone.

23
24 17. *In your Application, it is stated that the cost of the Main Headquarters*
25 *would be P283 Million, how did you arrive at this figure ?* Ans.: We computed
26 the total floor area that the building will have in order for it to house the
27 employees, the conference rooms, the control rooms, the function room, the
28 customer training and education center, the customer lobbies, the customer
29 reception areas in each floor, the library, elevator and stairways, information
30 and communications internal infrastructure, and other necessary areas. Then we
31 computed the necessary parking space for company vehicles, and those owned
32 by employees and customers, the security office, cafeteria, multi-purpose
33 covered court, spare generator building, roads and alleys, among other
34 requirements. We then multiplied the total area by the ballpark figure provided
35 by an Architect whom we consulted, who said the cost per square meter could
36 run between P15,000 and P18,000. In summary, we came up with the
37 following:

Cost of building	198,000,000
Yard development	9,900,000
Professional fee [5% of project cost]	14,850,000
IT requirements	27,572,000
Sub-total	250,322,000
Contingencies at 10% of sub-total	25,032,200
Total	275,354,200
Rounded to	280,000,000

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18. *You said that this is based on the estimated area requirements, how did you arrive at this offices area requirements ?* Ans.: We arrived at the area requirements by computing the working area requirements of the occupants by using UK and USA office space standards, then decide on the appropriate area requirement per employee, categorized into department manager, supervisor, rank-and-file, and we also earmarked certain areas for the President of the Company, the division heads, the cafeteria, multi-purpose covered court, parking areas, and others. We also included the requirement for the control rooms, the information and communications cables and facilities, function area, cafeteria, and the like.

19. *You said that you are now experiencing congestion problem in your Main Office, do you have proof of this ?* Ans.: Yes. We have taken pictures of people crowding the customer lobby at the current main office. This is the same scene that I see day in and day out because my office is located above the customer lobby hence I can clearly see the crowding downstairs. The pictures are hereto attached and marked as Annex “A” to “A- ___”.

20. *With this congestion problem, what measures have you done to solve this ?* Ans.: We have entered into agreements with various banks in the franchise area for them to collect the bill payments of our customers, but still the congestion at the main office has not waned. We have already reconfigured the main office lobby to accommodate more customers, added Tellers, and even resorted to having “fast lanes”, but the congestion would persist. We could no longer expand the office spaces in the current main office building because we are also limited by the lot area.

