



**MEMORANDUM OF AGREEMENT**

**KNOW ALL MEN BY THESE PRESENTS:**

This Memorandum of Agreement made and entered into this 30<sup>th</sup> day of April 2014, at Manila, Philippines, by and between:

**DEPARTMENT OF FOREIGN AFFAIRS**, herein referred to as **DFA**, with principal office address at 2330 Roxas Blvd., Pasay City, Metro Manila, represented by its Undersecretary for Administration and Head of Procuring Entity (HOPE) **HONORABLE LINGLINGAY F. LACANLALE**,

and

**PHILIPPINE POSTAL CORPORATION**, herein referred to as **PHLPost**, a Philippine Government Owned and Controlled Corporation (GOCC) created and established by virtue of Republic Act 7354, holding office at the Central Post Office Building, Liwasang Bonifacio, Manila and herein represented by its Postmaster General and Chief Executive Director, **MA. JOSEFINA M. DELA CRUZ**.

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CENTRAL RECORDS DIVISION  
DEPARTMENT OF FOREIGN AFFAIRS  
12 MAY 2014  
LORRAINE M. ESPERITU  
ACTING DIRECTOR

**WITNESSETH:**

**WHEREAS**, the DFA is the prime agency of government responsible for the pursuit of the State's foreign policy and the nerve center for a Foreign Service, needs a courier for its diplomatic/international pouch intended for Foreign Service Posts (FSPs), and domestic deliveries intended for Regional Consular Offices (RCOs), Temporary Passport Enrollment Centers (TPECs) and other offices (i.e. government, private and embassies and consulates of other countries) within Metro Manila.

**WHEREAS**, the PHILPOST is the only government-owned and controlled corporation engaged in the business of carrying and delivering mail and has the capability to dispatch postal items anywhere in the world where mail delivery is possible, in the most economical, efficient and reliable manner and at a reasonable cost.

**WHEREAS**, the DFA wishes to enter into an Agreement with the PHLPost through Negotiated Procurement (Agency-to-Agency) as an alternative method of procurement inasmuch as the PHLPost is the only government agency tasks to render delivery services.

**WHEREAS**, PHLPost shall accept for mailing, dispatch and delivery, all documents, parcels and cargo for outbound international and domestic destinations from the Department, for the period 01 May 2014 to 31 December 2014, while DFA upon billing shall pay the amount of SEVENTEEN MILLION THREE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY THREE PESOS & 33/100 (P17,333,333.33) for international delivery services and THREE MILLION EIGHT HUNDRED EIGHTY THOUSAND PESOS (P3,880,000.00) for do-nesitic delivery services to serve the attached lists of Philippine Embassies worldwide (Annex A) and DFA Regional Consular Offices

(Annex B) as well as other offices (i.e. government, private, embassies and consulates of other countries) within Metro Manila. The terms of payment shall be as follows:

End of June 2014  
End September 2014  
End of December 2014

PhP7,071,111.11  
PhP7,071,111.11  
PhP7,071,111.11

## I. DUTIES AND RESPONSIBILITIES OF PHLPOST

1.1 PHLPost shall observe the Technical Specification of DFA for diplomatic/international and domestic delivery services which are attached as Annexes "C" and "D" and made as integral parts of this AGREEMENT.

1.2 PHLPost through the Office of the Assistant Postmaster General for Operations shall communicate to other postal administrations where the Philippine Embassies are located in case of diplomatic/international pouch, to give a priority and special attention on Philippine diplomatic pouches.

1.3 PHLPost shall assign a key official from the Office of the Assistant Postmaster General for Operations who shall serve as Project Manager who shall be in-charge of coordinating all operations of diplomatic pouch and domestic deliveries such as but not limited to pick up and delivery, monitoring in other postal administrations, etc.

## II. DUTIES AND RESPONSIBILITIES OF THE DFA

2.1. DFA shall fill out a Certificate of Mailing, copy attached as Annex E, for every mailing transaction.

2.2. DFA shall provide PHLPost a list of updated Philippine Embassies worldwide and Regional Consular Offices nationwide to be serviced by PHLPost under this Agreement. DFA shall also provide PHLPost a schedule of dispatch per destination as mentioned in the Department Circular No. 03-12 (Annex F).

2.3 The DFA shall pre-alert PHLPost on all incoming (inbound) diplomatic pouch to be picked up at designated airlines.

## III. FORCE MAJEURE

3.1 PHLPost shall not be liable for delay, payment of liquidated damages, termination of the agreement by reason of default, recession or cancellation of contract, as may be applicable if such failure in the performance of its obligations under this Agreement is the result of a *force majeure* or an event which PHLPost could have not foreseen, or is inevitable. It shall not, however, include ordinary unfavorable weather conditions, and any other cause the effects of which could have been avoided with the exercise of reasonable diligence by PHLPost.

*Force majeure* may include acts of God or the public enemy, war, riot, embargo, fire, explosion, sabotage, flood, accident, labor disputes, default of common carrier and any other analogues causes.

3.2 The liability of PHLPost for any loss, delay, theft, damage to DFA diplomatic pouch and domestic deliveries and such other similar circumstances shall be governed by the pertinent provisions of the Civil Code

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12 MAY 2014  
M. MESSERITU  
CORRAINE MESSERITU

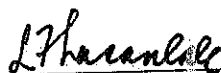
and other relevant laws. PHLPPost shall notify DFA immediately upon discovery of such loss, theft, delay, damage and other analogous circumstances.

#### IV. EFFECTIVITY AND DURATION OF THE AGREEMENT

This Agreement shall be valid and effective from 01 May 2014 until 31 December 2014, unless pre-terminated by written consent of the Parties or for reasons provided in this Agreement.

IN WITNESS WHEREOF, we have hereunto set our hands this \_\_\_ day of \_\_\_ 2014 at the City of Manila, Philippines.

By:

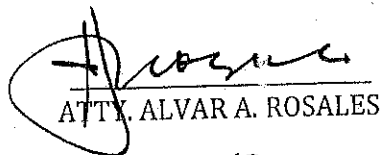


LINGLINGAY F. LACANLALE  
Undersecretary for Administration  
And Head of the Procuring Entity

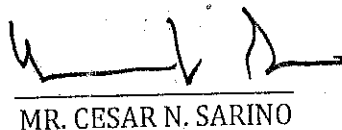


MA. JOSEFINA M. DELA CRUZ  
Postmaster General & CEO  
Philippine Postal Corporation

Signed in the presence of:



ATTY. ALVARO A. ROSALES



MR. CESAR N. SARINO

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12 MAY 2014  
LORRAINE M. ESPIRITU  
ACTING DIRECTOR



ACKNOWLEDGMENT

Republic of the Philippines )  
City of Manila ) SS

Before me this 02 MAY 2014 day of April 2014, personally appeared:

<u>Name:</u>	<u>Passport No.</u>	<u>Issued at</u>	<u>Issued on</u>
Linglingay F. Lacanlale	EB4841220	Manila	12 March 2012
Ma. Josefina M. Dela Cruz			

known to me to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their own free act and deed.

This instrument refers to an Agreement and consists of six (4) pages including the page where this Acknowledgment appears signed by the parties and their instrumental witnesses on each and every page thereof.

Witness my hand and seal at the place above written on this 02 MAY 2014 day of April 2014.

*[Signature]*  
**MA. MNOTARY PUBLIC RODRIGUEZ-BASCO**  
 Notary Public until December 31, 2015  
 Roll No. 40103  
 PTR No. 9196935 / 01-17-14  
 IBP No. 956303 / 01-17-14  
 MCLE Compliance No. IV-0019850

Doc. No. 171  
Page No. 35  
Book No. 1  
Series of 2014.

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12 MAY 2014  
*[Signature]*  
LORRAINE M. ESPIRITU  
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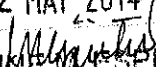
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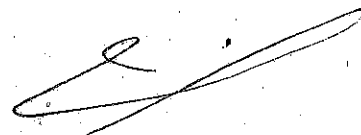
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**Diplomatic/International Delivery Services for CY 2014  
Technical Specifications-Annex C of the MOA**

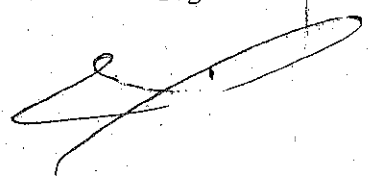
Item	Specification	Statement of Compliance
A.	<p>The Contractor must be capable of handling door-to-door pick-up and delivery of documents, parcels and cargo for outbound international destinations from the Department to the Foreign Services Posts (FSPs).</p> <p>It shall be understood that any reference to the Department of Foreign Affairs (referred to in this TOR as the Department) includes the Central Records Division (CRD) of the Office of Personnel and Administrative Services (OPAS).</p>	
B.	<p>The Contractor shall give the Department a list showing its office addresses in countries where the FSPs are located. In destinations where the Contractor has no established offices, it shall have at least one (1) courier company that will serve as its agent contracted to do the pick-up and delivery services.</p>	
C.	<p>The Contractor's international network of offices must be adequately and properly equipped to perform the foregoing tasks that will ensure the shortest possible transit time for deliveries of the shipment between 2-5 working days.</p>	
D.	<p>The Contractor shall regularly and expeditiously pick up and deliver all outbound and inbound diplomatic pouches from the Department and from the airport, on a daily basis including weekends and holidays on the agreed schedule. Upon specific request of the Department, the Contractor shall also immediately pick up urgent diplomatic pouches on any day, including Saturdays, Sundays and holidays without additional charges.</p> <p>The Department shall not be held liable to pay additional charges for storage fees for inbound diplomatic pouch/es within three (3) days upon arrival of shipment.</p>	
E.	<p>The Contractor shall abide by the comprehensive</p>	

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	<p>schedule of pick-up of diplomatic pouches, per attached Department Circular No. 03-12 (Annex "F"). The Incoming Pouch Section of the Department, shall receive inbound diplomatic pouches between 8:00 a.m. and 5:00 p.m., Mondays through Fridays.</p> <p>For security reasons and to protect the integrity of diplomatic pouches, only the Contractor's authorized personnel shall pick up and deliver diplomatic pouches and its related documents/airway bills from various shipping/airline cargo offices.</p>	
F.	<p>The Contractor shall be held liable for missing shipment and shall report to the Department regularly as to the status of all shipments.</p> <p>Any irregularities, such as damages to pouch bags, broken seals, incomplete pouch count, etc. shall be reported by the Contractor to the Department upon delivery of the pouches for the latter's appropriate information and action. The Contractor shall submit to the Department a report on its investigation.</p>	
G.	<p>In case of delay, damage to or loss of the diplomatic pouch, the Contractor shall be liable for the contents of the pouch and for all damages as may be provided under the law where it is determined that the delay, damage to or loss of pouch is attributable either to the fault of or negligence on the part of the Contractor. ("Loss of pouch" shall include delay in the delivery of the pouch/es whose contents shall no longer be of use to the Department even if delivered.) The Contractor shall pay to the Department as liquidated damages for such default and not as penalty, the amount of Ten Thousand Pesos (P10,000.00) per day of delay or default in the Contractor's performance of its obligations.</p> <p>Should missing pouches be found later on, it should still be delivered to the consignee at no cost.</p>	
H.	<p>The Contractor shall install a brand new desktop computer with printer, a dedicated telephone line, free of charge, at the Central Records Division for the duration of the Contract. The desktop computer and</p>	

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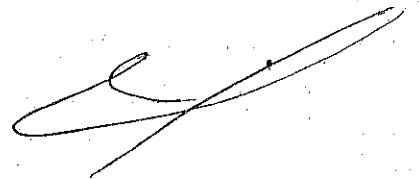


	printer shall be used for preparing necessary documents relative to the diplomatic pouch and shall be returned to the Contractor upon termination of the contract.	
	<p>The Contractor shall provide the Central Records Division (CRD) with brand new pouch bags of strong materials in the following quantity and sizes:</p> <p>Extra Large (36" x 25") - 125 pieces  Large (29" x 23") - 125 pieces  Medium (29" x 24") - 125 pieces  Small (25" x 21") - 100 pieces</p> <p>I. The Contractor shall likewise provide additional 750 pieces of durable pouch locks.</p> <p>The Contractor shall also provide durable and clear plastics to prevent damage from water the boxes of E-Passports to be sent to Foreign Service Posts for the duration of the Contract.</p> <p>Pouch bags, locks and clear plastics must be provided to the Department at no extra cost.</p>	
J.	The Contractor shall establish a working monitoring system with the CRD. The Contractor shall assign one (1) representative to the Central Records Division to ensure close coordination and smooth implementation of the contract.	
K.	Violation/s of any of the provision/s of the Contract shall be grounds for the forfeiture of the performance bond or the payment of liquidated damages to the department.	
L.	The Contract shall also provide provision for crating and insurance charges which should be within the ABC.	
M.	Contract period is from 01 May 2014 to 31 December 2014.	

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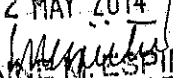
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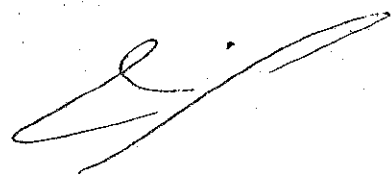


## Technical Specifications

### Domestic Delivery Services – Annex D of the MOA

Item	Specification	Statement of Compliance
A.	It shall be understood that any reference to the Department of Foreign Affairs (referred to in this Terms of Reference (TOR) as the DEPARTMENT) includes the DFA Main Office, Office of Consular Affairs in ASEANA Business Park (OCA), Regional Consular Offices, and any Temporary Passport Enrolment Center (TPEC).	
B.	The CONTRACTOR shall undertake door-to-door pick-up and delivery of documents, parcels, and office equipment with appropriate custom crating, for both outbound and inbound domestic destinations between the DEPARTMENT and its Regional Consular Offices (RCOs) and any Temporary Passport Enrolment Center (TPEC), and other outbound delivery services from the DEPARTMENT (Main Office) to other offices (i.e. government, private and embassies and consulates of other countries) within Metro Manila.	
C.	The CONTRACTOR shall provide the DEPARTMENT a list showing the CONTRACTOR's office addresses in the provinces where the RCOs are located.	
D.	The CONTRACTOR shall provide free lease of equipment for the sole purpose of printing waybills, at the Department (Central Records Division) and OCA premises for the duration of the Contract. The Contractor shall ensure the accessibility, through mobile and telephone system, of its representative at all times.	
E.	The CONTRACTOR shall have reliable ground handling capabilities for origin and destination that will ensure the shortest possible transit time of deliveries to and from the nineteen (19) Regional Consular Offices (RCOs), as well as	

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	RCOs, and TPECs that may be opened during the duration of the contract (See Annex B for the list of RCOs).	
F.	The CONTRACTOR shall ensure that the documents, parcel, and cargo are delivered to their intended domestic destinations within twenty-four (24) hours from the date of pick-up.	
G.	The CONTRACTOR shall submit to the DEPARTMENT a daily monitoring report and a consolidated monthly report detailing the status of picked-up or delivered documents, parcels, and cargo.	
H.	<p>The CONTRACTOR shall pick up outgoing documents, parcels, and/or cargo from the DEPARTMENT at:</p> <p>DFA Main - between 2:45 p.m. and 3:45p.m. Monday to Friday</p> <p>DFA-OCA (Aseana) - between 4:00 p.m. and 5:00 p.m. Monday to Friday</p> <p>RCOs - on the agreed schedule</p> <p>Upon the DEPARTMENT's request, urgent delivery within Metro Manila shall be picked up and delivered within the same day by the CONTRACTOR, on any day and time, including Saturdays, Sundays and Holidays, without additional charges.</p>	
I.	In case of delay or default in the CONTRACTOR's performance of its obligations, the CONTRACTOR shall pay to the DEPARTMENT as liquidated damages for such default and not as penalty, the amount of One Thousand Pesos (Php1,000.00) per day of delay or default in the CONTRACTOR's performance of its obligations.	
J.	The CONTRACTOR shall deliver incoming documents, parcels, and/or cargo intended for DFA Main at the Incoming Pouch Section, DFA Main Building, 2330 Roxas Blvd, Pasay City and for DFA-OCA, at ASEANA Business Park, Bradco Ave., corner Macapagal Avenue,	

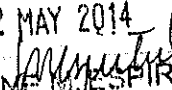
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	Parañaque City, between 8:00 a.m. to 5:00 p.m., Monday to Friday.	
K.	Any irregularity or breach in security of parcels, and/or cargo, such as damage to passports, incomplete parcel/document count, etc., shall be immediately reported by the CONTRACTOR to the DEPARTMENT upon delivery, for appropriate information/action of the DEPARTMENT.	
L.	The CONTRACTOR shall indemnify, defend and hold harmless the DEPARTMENT and/or its officers, employees, and its duly authorized representatives from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including third party claims, arising from any loss, damage or delay in the delivery of documents, parcels, and/or cargo.	
M.	The CONTRACTOR shall guarantee the security and integrity of parcels, and/or cargo, as well as ensure that these items are not breached from pick-up to delivery points or vice versa. For this purpose, the CONTRACTOR shall be responsible in providing the necessary security measures, such as but not limited to, provision of couriers on board in destinations where the CONTRACTOR has no personnel or representatives to handle delivery service.	
N.	The CONTRACTOR shall establish a working monitoring system with both the Office of Consular Affairs (OCA) and the Central Records Division of the DEPARTMENT.	
O.	The CONTRACTOR shall comply with all security regulations and requirements regarding pickup and delivery of documents, parcels, and cargo from the DEPARTMENT to RCOs and Metro Manila, and vice versa.	
P.	Contract period is from 01 May 2014. to 31 December 2014.	

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