

## MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (hereinafter referred to as Agreement) made and entered into this \_\_\_\_\_ by and between:

**PROCUREMENT SERVICE**, a government agency duly organized and existing under the laws of the Republic of the Philippines with office address at PS Complex, Cristobal Street, Paco, Manila, represented by **Executive Director BINGLE B. GUTIERREZ**, hereinafter called the "**PS**";

and

The [complete agency name], a government agency duly organized and existing under the laws of the Republic of the Philippines with office address at [complete agency address] represented by [name of head of office or authorized representative], hereinafter called "**Client**";

**PS** and **Client** are collectively called "Parties"

### WITNESSETH:

**WHEREAS**, PS carries in its common-use supplies and equipment catalogue airline tickets for travels sourced from various airline companies (hereinafter referred to as Suppliers);

**WHEREAS**, the Client is desirous in procuring its airline ticket requirements for travel through PS;

**NOW, THEREFORE**, for and in consideration of the foregoing premises and the mutual covenants, stipulations and agreements, the Parties have agreed, as they do hereby agree, and contracted as follows:

### ARTICLE 1 SCOPE AND APPLICABILITY OF THIS AGREEMENT

- 1.1 This Agreement shall govern the activity stated in the second WHEREAS clause to be undertaken pursuant to Section 53.5 of the 2016 revised IRR of R.A. No. 9184;
- 1.2 The relevant budgeting, accounting and auditing rules and regulations, including existing civil service regulations and other pertinent administrative issuances shall be applied;

### ARTICLE 2 PS SERVICE FEE

- 2.1 A one percent (1%) service charge to be computed on the basis of the gross amount (exclusive of discount) stated in the weekly billing statement shall be imposed for services to be rendered by PS. The service fee shall only accrue to PS after consummation of the services of the Suppliers.

2.2 The PS Service Fee shall be taken from the Fund stated in Section 3.1.

### **ARTICLE 3 FUNDING ARRANGEMENTS**

- 3.1 The Client shall, within fifteen (15) calendar days from execution of this Agreement, deposit the amount of [amount in word] (amount in number). This advance payment shall be considered as the source of funding for the procurement. The Client shall effect the payment through cash or check payment to PS.
- 3.2 Any excess in the Fund shall, in no case be applied for other purposes.
- 3.3 PS will automatically return the unexpended balance of the Fund upon termination or immediately after expiration of this Agreement.
- 3.4 PS assumes no liability as to any defect or irregularity, if any, in the Client's preparation of necessary documents related to the activity subject of this Agreement. For this purpose, PS presumes that all documents submitted and to be submitted relative to this Agreement are valid and duly authorized by the competent authority/ies of the Client and other government agencies, if any.

### **ARTICLE 4 CLIENT**

4.1 The Client shall:

4.1.1 Appoint an **Administrator** who shall be responsible for:

- a) Identification and management of offices and travel arranger/s;
- b) Adding new travel arranger/s and/or delisting the same, assigning log-in details and modifying the same, and providing access to other employees;
- c) Creating and/or adding new offices, editing details of offices, deleting or deactivating offices, and deleting any branch office/s;
- d) Assigning roles to travel arrangers and delegating roles, which by nature, delegable; and
- e) Administering credit line of the Client.

A Travel Arranger, for this purpose, is one who:

- a) Handles the booking facility in the PS portal created for GFA purposes;
- b) Manages the address book;
- c) Has access to the reservations list for managing bookings;
- d) Ensures that ticket numbers are generated once a booking is paid; and
- e) Ensures that passenger receives e-ticket.

Email alerts on flight changes will be received by the Travel Arranger, who shall alert the passenger of any change in itinerary.

The Administrator shall have access to reservations made by any Travel Arranger within the Client agency or transactions made by its branch/es, and shall be responsible for receiving the Weekly Sales Report Summary from sales.

- 4.1.2 Provide PS email address/es and other required contact information which shall be used in all official transactions with PS;
  - 4.1.3 Fill-out and submit registration form which is downloadable from PS website;
  - 4.1.4 Deposit the fund as stated in Article 3 and related provisions; and
  - 4.1.5 Send the Administrator and Travel Arranger/s mentioned in Article 4.1.1 to the PS hands-on trainings to be conducted.
- 4.2 The Client commits that it shall replenish the Fund once it reaches fifty percent (50%) utilization, or upon notice by PS through a Statement of Account (SOA).
- 4.3 The Client understands and agrees that if the Fund is depleted and not replenished according to Article 4.2, access and use of PS Portal shall be temporarily disabled until such time that the Fund is replenished sufficiently.

## **ARTICLE 5**

### **PS**

- 5.1 PS shall:
- 5.1.1 Enroll and process the registration of the Client in the Government Fares Agreement with Suppliers;
  - 5.1.2 Process and provide the password and working fund limit of the Client;
  - 5.1.3 Act as custodian of the Client's documents;
  - 5.1.4 Provide the Client a weekly Statement of Account;
  - 5.1.5 Remind through e-mail the Client to replenish the Fund in accordance to Article 4.2;
  - 5.1.6 Forward to the Client the Delivery Receipts for signature; and
  - 5.1.7 Provide other support services to Client, if necessary.

## **ARTICLE 6**

### **CONTRACT IMPLEMENTATION**

- 6.1 The Client shall notify PS in writing of any complaint regarding the services.
- 6.2 PS agrees to assist the Client in filing its claim/s for loss/damage/defects to the services, in accordance with the warranties or insurance clause provided by the concerned Suppliers but under no circumstance shall PS be held liable or accountable for such loss/damage/defects that should be answered by the Suppliers.
- a. In cases of breaches of warranty, PS shall, as warranted, cause the imposition of suspension and/or blacklisting of the Suppliers and cooperate with and assist the Client in pursuing other legal remedies against

concerned supplier and other responsible parties, including the Client's possible institution of appropriate administrative, civil and/or criminal case/s as warranted.

- b. PS shall undertake best efforts to cause concerned Suppliers to replace, repair, or correct the defect/damage/loss within thirty (30) calendar days upon receipt of the written complaint from the Client.

## **ARTICLE 7 TERMINATION**

- 7.1 The Parties may terminate this Agreement, in whole or in part, at any time for its convenience if the existence of conditions is determined to cause the Agreement implementation to be economically, financially or technically impractical and/or unnecessary, such as but not limited to fortuitous event/s or changes in law and national government policies.
- 7.2 This Agreement may be terminated by any of the Parties pursuant to Article 7.1 of this Agreement by serving a Notice of Termination at least thirty (30) calendar days before the date of the intended termination.

## **ARTICLE 8 ENTIRE AGREEMENT**

This Agreement contains the entire agreement of the Parties with respect to the subject matter of this Agreement and there are no other promises or conditions in any other agreement, whether oral or written. This Agreement supersedes any prior written or oral agreements between the Parties with respect to the subject matter of this Agreement. No agreements, understandings, commitments, discussions, warranty, representations, or other covenants, whether oral or written, between the Parties are included in this Agreement as set forth herein.

## **ARTICLE 9 AMENDMENT**

This Agreement may be modified or amended, if the amendment is made in writing and is signed by both Parties.

## **ARTICLE 10 SEVERABILITY**

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**ARTICLE 11  
NON-WAIVER OF RIGHT**

The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

**ARTICLE 12  
PARAGRAPH HEADINGS**

The titles to the paragraphs of this Agreement are solely for the convenience of the Parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

**ARTICLE 13  
ARBITRATION**

The Parties shall as often as possible mutually consult with each other with respect to the performance of their respective obligations under this Agreement. The Parties shall exert their best efforts to properly resolve any differences or disagreements with respect to any dispute that may arise in connection with this Agreement. However, if such disagreement or differences persist despite efforts of the Parties to settle the same, it is mutually agreed upon that the dispute shall be resolved before the Office of the Solicitor General (OSG)/ and/or Department of Justice (DOJ) pursuant to the Rules on Alternative Dispute Resolution (ADR) for Disputes between National Government Agencies.

**ARTICLE 14  
GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines. Arbitration or any action brought to enforce or interpret this Agreement shall be brought in the courts of the City of Manila to the exclusion of all other courts.

**ARTICLE 15  
EFFECTIVITY**

This Agreement shall take effect upon execution by the Parties.

**IN WITNESS WHEREOF**, the Parties to this Agreement have hereto set their hands on the date and place stated above.

**PROCUREMENT SERVICE**

**xxx**

By:

By:

**BINGLE B. GUTIERREZ**

Executive Director

\_\_\_\_\_

xxx

**SIGNED IN THE PRESENCE OF:**

\_\_\_\_\_  
**ALLAN RAUL M. CATALAN**  
 Chief, Comptroller Division

\_\_\_\_\_  
 Name

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES)  
 MANILA, METRO MANILA ) S.S.

**BEFORE ME**, a Notary Public for and in City of Manila this \_\_\_\_\_,  
 personally appeared the following:

| NAME                | I.D. and ID No.                       | DATE/PLACE OF ISSUE |
|---------------------|---------------------------------------|---------------------|
| Bingle B. Gutierrez | Driver's License No.<br>N02-93-214978 | Manila, Philippines |

\_\_\_\_\_

known to me to be the same persons who executed the foregoing instrument (six pages including this Acknowledgment) and they acknowledged to me that the same is their free and voluntary act and deed and of the entities they respectively represent.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed my notarial seal on the day, year and place above written.

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