



Republic of the Philippines
OFFICE OF THE OMBUDSMAN
Bids and Awards Committee – Main
Agham Road, Diliman, Quezon City 1104

BIDS AND AWARDS COMMITTEE - MAIN
RESOLUTION NO. AMP-2-08-030
RE: AWARD FOR THE AGENCY-TO-AGENCY PROCUREMENT
OF ONE (1) LOT – ONE (1) YEAR COURIER SERVICES
REQUIREMENT OF THE OFFICE OF THE OMBUDSMAN

WHEREAS, the Office of the Ombudsman has programmed the procurement of Postage and Deliveries (Mailing Expenses) (APP Code: 2021APP-108) with an Approved Budget for the Contract (ABC) of Two Million Six Hundred Thousand Pesos (₱2,600,000.00);

WHEREAS, Purchase Request (PR) No. PU-21-03-037 with an Approved Budget for the Contract (ABC) of Two Million Six Hundred Thousand Pesos (₱2,600,000.00) for the procurement of “One (1) Year Courier Services” for the use of the Office of the Ombudsman, was approved;

WHEREAS, the Bids and Awards Committee (BAC), in an approved Memorandum dated 18 May 2021, was authorized to conduct its procurement through Public Bidding in accordance with the provisions of the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184;

WHEREAS, the BAC conducted the first Public Bidding of One (1) Year Courier Services Requirement of the Office of the Ombudsman (PB 2021-2-06) but no bids were received, thus, resulted to a failure of bidding pursuant to Section 35.1 of the 2016 RIRR of RA 9184;

WHEREAS, after the conduct of a mandatory review of the terms, conditions and specifications, the BAC conducted the Re-Bidding of One (1) Year Courier Services Requirement of the Office of the Ombudsman (PB 2021-2-07) but again no bids were received, thus, resulted to a failure of bidding pursuant to Section 35.1 of the 2016 RIRR of RA 9184;

WHEREAS, after the conduct of a mandatory review of the terms, conditions and specifications, the BAC was authorized by the Head of the Procuring Entity (HOPE) to conduct a Negotiated Procurement for the One (1) Year Courier Services Requirement;¹

WHEREAS, in a Memorandum dated 20 October 2021, the HOPE directed the BAC to hold in abeyance the Negotiated procurement of One (1) Year Courier Services Requirement and likewise, directed the Technical Working Group (TWG) to study the possibility of an agency-to-agency mode of procurement;

WHEREAS, in a Memorandum dated 12 November 2021, the TWG submitted to the BAC, a study on the possibility of an Agency-to-Agency Procurement for the Courier Services, more specifically with PHILIPPINE POSTAL CORPORATION (PHLPost);²

¹Approved BAC Resolution No. 2-09-006.

²TWG Memorandum dated 12 November 2021, received on 15 November 2021.

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WHEREAS, the end-user and the TWG presented the following justifications for the change in the method of procurement from Public Bidding to Alternative Method of Procurement (Agency-to-Agency), to wit:

- 1) PHLPost is the only government agency engaged in the business of carrying and delivering mail anywhere in the Philippines and the world;
- 2) PHLPost offers the following services at the most economical, efficient, and reliable manner, with reasonable cost: a) Ordinary/Registered Mail Service, b) Domestic Express Mail Service (DEMS), c) Domestic Parcel Service, d) International Express Mail Service (Documents and Merchandise), e) International Ordinary/Registered Mail Service, f) Surface Air Lifted, g) Domestic Postal Money Order, h) Domestic Electronic Postal Money Order, and other services;
- 3) Setting aside the DEMS surcharges, the DEMS published rates are comparable with the rates of the private courier service providers. Moreover, these are much cheaper for cargo box type of parcels. The DEMS rates would be lower if special discounts are granted to agencies in addition to the possibility of waiver of surcharges;
- 4) PHLPost seemed the most feasible courier service that can serve OMB's requirement. DEMS has the same feature of a private courier service with fast delivery period and has the capability to track the mails using the Domestic Mail Tracking System (DMTS). In terms of payment, bill can be paid monthly, subject to the Expanded Withholding and Final Withholding Tax on Value Added Tax and be paid upon submission of documentary requirements. No advance payment shall be made as provided in Section 88 of P.D. 1445. If granted the service contract, PHLPost shall assign a key personnel from the Operations to serve as Project Manager in charge of coordinating all operations of domestic deliveries, such as, but not limited to, monitoring, pick-up and delivery; and,
- 5) Cost-benefit analysis reveals that DEMS remains to be more economical and advantageous option for the Office despite the fact that it costs Twelve Million Two Hundred Fifty Thousand Two Hundred Thirty Five Pesos (₱12,250,235.00) considering its extensive domestic acceptance, distribution and delivery network that will lessen, if not eliminate, the return to sender mails. Likewise, the government funds will just circulate from one government agency to another government agency. Further, several national government agencies are using the DEMS.

WHEREAS, BAC Resolution AMP-2-12-025 dated 09 December 2021 was approved changing/revising the method of procurement from "Public Bidding" to "**Sec. 53.5 – Agency-to-Agency Procurement,**" citing the above justifications, pursuant to Section 48.3 of the 2016 RIRR of RA 9184; supplementing the amount of Nine Million Six Hundred Fifty Thousand Two Hundred Thirty Five Pesos (₱9,650,235.00) with the original ABC in the Annual Procurement Plan (APP) of only Two Million Six Hundred Thousand Pesos (₱2,600,000.00) ABC thereby increasing the total cost for the said procurement project in the amount of **Twelve Million Two Hundred Fifty Thousand Two Hundred Thirty Five Pesos (₱12,250,235.00)**;

WHEREAS, the 3rd Supplemental APP 2021 (3rd SAPP 2021) was approved on 21 December 2021, reflecting therein the additional ABC of Php9,650,235.00 for this procurement project;

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WHEREAS, RA No.11640³ extends the availability of the 2021 Appropriation to December 31, 2022. Further, Department of Budget and Management (DBM) National Budget Circular No. 587, Section 3.5⁴ states that the appropriation items authorized under RA No. 11518 for maintenance and other operating expenses as well as for capital outlay are valid for release, obligation and disbursement until December 31, 2022;

WHEREAS, the end-user submitted to the Bids and Awards Committee (BAC) a Certification⁵ signed by Mr. Norman N. Fulgencio, Postmaster General and CEO of PHLPost, that it complies with all the conditions set forth in Section V(D)(5)(b) of Annex “H” of the 2016 Implementing Rules and Regulations of Republic Act No. 9184;

WHEREAS, the BAC, in a letter dated 05 January 2022, requested the PHLPost for a price quotation for one (1) year Courier Services Requirement for the Office of the Ombudsman with a total estimated cost of Php12,250,235.00;

WHEREAS, on 21 July 2022, the PHLPost, submitted its technical proposal and financial proposal in the total amount of **Six Million Three Hundred Fifty One Thousand Eight Hundred Seventy Six Pesos and 22/100 (Php 6,351,876.22)**;

NOW THEREFORE, the undersigned members of the Bids and Awards Committee hereby **RESOLVE** and **RECOMMEND** to award the contract to the **PHILIPPINE POSTAL CORPORATION** for the supply of One (1) year Courier Services Requirement for the Office of the Ombudsman in the total amount of **Six Million Three Hundred Fifty One Thousand Eight Hundred Seventy Six Pesos and 22/100 (Php 6,351,876.22)** and a copy of the Memorandum of Agreement between the PHLPost and the Office of the Ombudsman is attached for approval of the parties.

SO RESOLVED.

08 August 2022, Quezon City, Philippines.

(ON OFFICIAL LEAVE)
CORINNE JOIE M. GARILLO
Member


JENNY CERA-BAYANGOS
Member

³ “An Act extending the Availability of the 2021 Appropriation to December 31, 2022, amending for the purpose Section 62 of the General Provisions of Republic Act No. 11518, the General Appropriations Act of Fiscal Year 2021;” <https://www.officialgazette.gov.ph/downloads/2021/12dec/20211230-RA-11640-RRD.pdf>.

⁴Dated January 3, 2022, <https://www.dbm.gov.ph/wp-content/uploads/Issuances/2022/National-Budget-Circular/NATIONAL -BUDGET-CIRCULAR-NO-587.pdf>.

⁵“This is to certify that the PHILIPPINE POSTAL CORPORATION is a government owned and controlled corporation created and existing under Republic Act No. 7354, otherwise known as the “Postal Service Act of 1992”. In accordance with this law, section 5 (a) thereof dictates that the PHILIPPINE POSTAL CORPORATION is the sole government entity mandated under the laws of the Philippines, among other responsibilities and functions, to provide for the collection, handling, transportation, delivery, forwarding, returning, and holding of mails, parcels and like materials throughout the Philippines, and, pursuant to agreement entered into, to and from foreign countries. It is also set forth in section 6 (a) of the same law, among other powers of the Corporation, to charge fees for postal services to be rendered for the receipt of the same, and prescribe the manner it is to be paid and collected, and under Section 6(3) of the same law, to offer a wide array of postal services other than ordinary mail and parcels, which, however, shall not be compulsory, discriminatory nor unfairly competing with similar private enterprises, such as money order, parcel post, postal savings bank, philatelic, and other type of services which are internationally accepted as part of postal business. It is also hereby certified the following provisions for PHILIPPINE POSTAL CORPORATION: a) Has the absorptive capacity to undertake the project; b. Owns or has access to all the necessary tools and equipment required for the subject matter of the Office of the Ombudsman; and c. Will not be sub-contracting the project. The certification is issued in fulfillment of the requirements for the Agency-to-Agency Contract between the Corporation and the Office of the Ombudsman.”

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The dispositive portion reads thus:

*“NOW THEREFORE, the undersigned members of the Bids and Awards Committee hereby **RESOLVE** and **RECOMMEND** to award the contract to the **PHILIPPINE POSTAL CORPORATION** for the supply of One (1) year Courier Services Requirement for the Office of the Ombudsman in the total amount of **Six Million Three Hundred Fifty One Thousand Eight Hundred Seventy Six Pesos and 22/100 (Php 6,351,876.22)** and a copy of the Memorandum of Agreement between the PHLPost and the Office of the Ombudsman is attached for approval of the parties.*

SO RESOLVED.”


ZARNETTE E. SANCEDA
Member



LORENZO G. VERGARA
Member

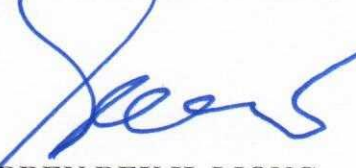

NELLIE P. BOGUEN GOLEZ
Member


ADORIE T. CORNITO
Vice-Chairperson

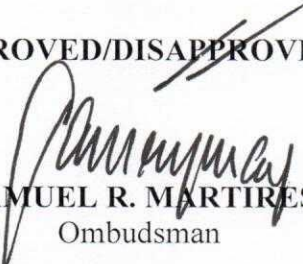

ADORACION A. AGBADA
Chairperson

RECOMMENDING APPROVAL:


WEOMARK RYAN G. LAYSON
Assistant Ombudsman
General Administration Office /
Finance Management and Information Office


WARREN REX H. LIONG
Overall Deputy Ombudsman

APPROVED/DISAPPROVED:


SAMUEL R. MARTIRES
Ombudsman