

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Agreement is made and entered into this 22nd Day of March 2011 by and among:

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, a duly organized government entity of the Republic of the Philippines with office address at DENR Compound, Visayas Avenue, Diliman, Quezon City represented herein by its Secretary, **HON. RAMON J.P. PAJE**, hereinafter referred to as "DENR";

and

DEPARTMENT OF EDUCATION, a government agency with principal address at DepEd Complex, Meralco Avenue, Pasig City, represented herein by its Secretary, **HON. ARMIN A. LUISTRO**, hereinafter referred to as "DEPED";

and

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY, a government agency with office address at East Service Road, South Super Highway, Taguig City, represented herein by its Secretary, **HON. EMMANUEL JOEL J. VILLANUEVA**, hereinafter referred to as "TESDA"

and

PHILIPPINE AMUSEMENT AND GAMING CORP., a government owned and controlled corporation with office address at PAGCOR Corporate Office, 5th Floor, Hyatt Hotel and Casino Malate, Manila, represented herein by its Chairman and Chief Executive Officer, **HON. CRISTINO L. NAGUIAT, JR.** hereinafter referred to as "PAGCOR".

-WITNESSETH-

WHEREAS, the **DENR**, the national government agency mandated to be responsible for the conservation, management, development and proper use of the country's environment and natural resources, has stockpile of confiscated logs and timber from illegal logging operations in various parts of the country, which can be used for the production of school furniture needed by various state educational institutions as stipulated in Memorandum Order No. 162 issued by the President of the Philippines on August 19, 1993, as amended by Memorandum Order No. 234 dated June 5, 1995;

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WHEREAS, DEPED, the national agency mandated to provide quality basic education that is equitably accessible to all and intended to lay the foundation for life-long learning and service for the common good, has an existing shortage of school furniture such as tables, chairs, desks, and other wood-based fixtures as well as a perennial need for additional school furniture for its growing constituency nationwide and has sought the assistance of **DENR** to invoke the provision in Memorandum Order No. 162 issued by the President of the Philippines on August 19, 1993, as amended by Memorandum Order No. 234 dated June 5, 1995 to be considered a priority for laying claim to the use of confiscated logs for its School Building Program as well as to be given due consideration and priority for use of available raw materials under EO 23;





WHEREAS, TESDA, the national agency mandated to coordinate and provide human resource development programs and training that ensure the development and utilization of the Nation's manpower, promote employment and accelerate economic and social growth, has the technical expertise in developing skilled manpower necessary for the production of school furniture through its training institutions nationwide;

WHEREAS, PAGCOR, a government -owned and -controlled corporation with a mandate to generate revenues for the country's socio-civic and national development programs, has the necessary funds to support a multi-agency partnership for the judicious use of lumber for the production of school furniture through the provision of seed money for the set-up of a network of production facilities;

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants herein set forth, the parties have agreed to the following:

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1. **PROJECT:** The multi-party project known as the **SCHOOL FURNITURE PRODUCTION PROGRAM** shall be composed of two tracks:
 - a. Track 1 –In order to put to use the confiscated logs, the DENR, DEPED, TESDA and PAGCOR shall jointly oversee the conversion of confiscated logs and lumber into school furniture;
 - b. Track 2 – To help ensure the availability and sustainability of supply of legally sourced wood for the construction of school furniture as well as create livelihood opportunities to upland communities supported by government forestry programs as wood suppliers, the DENR, DEPED, TESDA and PAGCOR shall design an integrated wood manufacturing system that will connect the wood sourcing, production and market to serve the requirements of public schools.
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The project requires the construction of integrated wood manufacturing facilities in ten (10) Production Sites linked to registered forest plantations which will serve the needs of the Department of Education.

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2. **PROJECT OBJECTIVES:** The Project shall have the following objectives: (1) Generation of a long term school furniture plan to establish a stable market requirement; (2a) Utilization of confiscated logs of the DENR by converting it into school furniture to stave off shortage; (2b) Link government supported plantation growers with the various suppliers of DEPED's requirements to hedge against scarcity of raw materials; (3) Train and develop workers for the production of school furniture through TESDA; (4) Create livelihood opportunities in the conversion of confiscated logs into school furniture in various production sites.
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3. **RESPONSIBILITIES & ACCOUNTABILITIES:** The following are the responsibilities and accountabilities of the various parties:

3.1 The **DENR** shall:

3.1.1 For Track 1:

3.1.1.1 donate to DepEd or TESDA confiscated logs, lumber and other forest products without pending cases in court, the DENR or in any other tribunal or office;

3.1.1.2 be responsible for the hauling and delivery of confiscated logs and lumber to the TESDA production sites from their current locations; providing the necessary trucks or motor vehicles, equipment and escorts considering that some of the subject logs and lumber are stockpiled in areas with peace and order problems.

3.1.2 For Track 2:

3.1.2.1 link the registered suppliers of wood to ensure adequate and sustained supply of legally sourced logs and lumber needed for the production sites;

3.1.3 For both Tracks 1 and 2,

3.1.3.1 provide technical assistance to TESDA for the proper implementation of the intended activities;

3.1.3.2 monitor all the activities leading to the successful implementation and turn-over of the confiscated logs, lumber, and other forest products to TESDA; and

3.1.3.3 tap other government agencies and institutions to address the other logistical requirements of the project, such as but not limited to the Department of National Defense.

3.2 The **DEPED** shall:

3.2.1 For both Tracks 1 and 2:

3.2.1.1 Provide the detailed design, specification, volume and other requirements needed for the fabrication of school furniture;

3.2.1.2 Facilitate the delivery of the school furniture to specific schools by providing the list of recipients and the necessary administrative support;

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3.2.2 For Track 2:

- 3.2.2.1 Pay for every chair, table, fixture and furniture produced by each of the 10 production areas in accordance with the price agreed upon by and between DepEd and TESDA, which shall not be higher than the average purchase price of DepEd for the past two years.

3.3 The **TESDA** shall do the following for both Tracks 1 and 2:

- 3.3.1 Retrofit existing TESDA facilities and/or establish new school furniture production facilities in 10 production sites in various parts of the country to be identified jointly with DENR, DEPED and PAGCOR, and conduct training relative thereto;
- 3.3.2 Assist in the selection and recruitment of production workers to be trained for the school furniture production project together with local government units and people's organizations within the 10 identified production sites;
- 3.3.3 Provide access to training facilities, equipment and other utilities for the institutional training and other related activities for the specialized course for production workers for the school furniture production facilities in 10 identified production sites;
- 3.3.4 Provide technical and administrative assistance, apply competency standards, training methodologies, competency assessment instruments and other programs relevant for the successful implementation of the school furniture production project;
- 3.3.5 Facilitate the design of a customized curriculum to address the specific training needs of the production workers in the school furniture production sites through the expertise available from its various training institutions;
- 3.3.6 Conduct school furniture production technology training to selected prospective furniture production workers to enhance productivity and adherence to product standards and specifications;
- 3.3.7 Ensure that the training program is conducted in accordance with established industry standards and training regulations, as well as with the specific training standards required for the school furniture production;
- 3.3.8 Issue Training Certificates to graduates of the furniture production training;
- 3.3.9 Facilitate the conduct of competency assessment to the graduates of the training program;
- 3.3.10 Provide scholarship assistance to the production workers attending the specialized training program in the School Furniture Production Technology; and,
- 3.3.11 Optimize use of production facilities to produce the required volume of school furniture in accordance with set standards and specifications.

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3.4 **PAGCOR** shall:

- 3.4.1 Provide funding up to the amount of Php100 Million for the retrofitting of existing TESDA and/or DepEd facilities and/or establishment of new production facilities in 10 sites and its initial operating expenses.
- 3.4.2 Provide such other additional funding as may be required under Track 1 of the Project as may be determined by the Program Steering Committee and as approved by the respective heads of the participating agencies herein.
- 3.4.3 For both Tracks 1 and 2: Monitor/ensure that the production facilities, equipment and other operational needs are utilized in accordance with the Terms of this Agreement.

4. ORGANIZATIONAL SET-UP. To facilitate the implementation of the project and resolve concerns that may arise during operations, the following are put in place:

- 4.1. A Program Steering Committee shall be organized composed of DENR, PAGCOR, DepEd and TESDA, which shall formulate policies and act as an oversight body;
- 4.2. Create a Technical Working Group (TWG) composed of members coming from DENR, DepEd, PAGCOR, and TESDA with TESDA as lead agency which shall provide technical advice to ensure the smooth implementation of the project;
- 4.3. Set-up a trust fund, under TESDA, for the project to re-invest gross receipts for the fabrication of new school furniture;
- 4.4. Adoption of measures or schemes as maybe necessary to ensure the success of the project.

5. EFFECTIVITY OF AGREEMENT

This Agreement shall take effect upon the date of signing and shall remain in force and effect for a period of one (1) year and may be extended upon mutual agreement of all parties unless otherwise revoked or cancelled.

Any amendments and/or revision to this agreement shall be made through mutual consent of all parties and shall be in writing which shall be attached and shall form an integral part of this agreement.

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Failure of any party to comply with any of the terms and conditions of this Agreement shall constitute a valid cause for the rescission of this Agreement upon notice within a period of thirty (30) days.

IN WITNESS WHEREOF, the parties hereunto set their hands on this _____ day of MAR 22 2011 2011 in MANILA, PHILIPPINES .

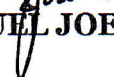
For the Department of Environment
and Natural Resources (DENR)


HON. RAMON J.P. PAJE
Acting Secretary

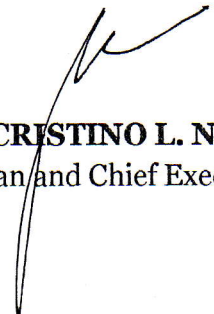
For the Department of Education
(DEPED)


HON. ARMIN A. LUISTRO, FSC
Secretary

For Technical Education and Skills
Development Authority (TESDA)


HON. EMMANUEL JOEL J. VILLANUEVA
Director General

For Philippine Amusement and Gaming
Corporation (PAGCOR)


HON. CRISTINO L. NAGUIAT, JR.
Chairman and Chief Executive Officer

WITNESSES


For the Department of Environment
and Natural Resources (DENR)


MARLO D. MENDOZA
OIC Assistant Secretary

For the Department of Education
(DEPED)


DR. CORAZON T. LOPEZ
Head External Relations Group

For Technical Education and Skills
Development Authority (TESDA)


ERNESTO A. BELTRAN
Executive Director, Special Projects Office

For Philippine Amusement and Gaming
Corporation (PAGCOR)


JORGE V. SARMIENTO
President and Chief Operating Officer

REPUBLIC OF THE PHILIPPINES)
MANILA, PHILIPPINES) SS

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in, personally appeared this _____ day of MAR 22 2011 2011 the following with their respective valid Identification Cards (IDs):

NAME	ID NO.	DATE ISSUED	PLACE ISSUED
RAMON J.P. PAJE	<u>BIR # 118-146-006-000</u>	<u>11-24-2000</u>	_____
ARMIN A. LUISTRO, FSC	<u>DEPED ID # 0003168</u>	_____	_____
EMMANUEL JOEL J. VILLANUEVA	_____	_____	_____
CRISTINO L. NAGUIAT, JR.	<u>SSS # 03-6432549</u>	_____	_____

known to me to be the same persons who executed the foregoing MEMORANDUM OF AGREEMENT and acknowledged to me that the same is their own free will and voluntary act and deed.

This instrument consists of five (5) pages including this page wherein this Acknowledgement is written, and is signed by the parties and their instrumental witnesses on each and every page hereof, and sealed with my notarial seal.

MAR 22 2011

WITNESS MY HAND AND SEAL, this _____ day of _____ 2011 at MANILA, PHILIPPINES, Philippines.

NOTARY PUBLIC

Doc. No. 38 ;
Page No. 09 ;
Book No. I ;
Series of 2011.

Joanne F. Sy-Del Prado
ATTY. JOANNE F. SY-DEL PRADO
NOTARY PUBLIC FOR MANILA
6TH FLR. HYATT HOTEL & CASINO MLA,
APPT. NO. 2011-112 UNTIL DEC. 31, 2012
ROLL NO. 51777 PTR NO. 9291682 DTD 01-14-11
AT MANILA IBP LIFETIME NO. 05774
RSM CHAPTER

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