



Public Consultation

on

Terms for Quality of Service for Postal and Parcel Services

For Universal Service Provider – USP

Version 1.0

July 2021

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1. Introduction -----◆

- a. KSA's Vision 2030 and the 'National Industrial Development and Logistics Program' (Vision Realization Program) aim to transform KSA into a leading industrial power and an international logistics platform. They also put a strong focus on developing the postal and the parcel sector in KSA
- b. Communications and Information Technology Commission (CITC), pursuant to section (2) of the Cabinet Resolution No. (403) issued on 12/7/1440 AH, is responsible for regulating and supervising the functions of the postal and parcel sector
- c. CITC's vision is to develop a connected nation for a thriving digital economy. The key mission is to protect consumers, promote investment, and safeguard competition to ensure reliable services while following the core values around innovation, transparency, enablement and collaboration
- d. CITC's responsibilities include governance of the postal sector, supervising its market, updating regulations to attract global investments and improving infrastructure for delivery of services to ensure fairness, transparency and highest level of quality
- e. CITC has undertaken an initiative to develop the quality of service standards in order to improve the quality of service provided to customers of the postal and parcel sector; this initiative will help develop a competitive postal and parcel sector in KSA, improve the sector's overall performance at par with the world leaders while protecting the rights of the end customer

2. Purpose of the Public Consultation - - - - - ◆

- a. The aim of this Public Consultation process is to provide an opportunity to the concerned parties to send their comments on the proposed “Draft Terms for Customer Quality of Service for Postal and Parcel Services – For Universal Service Provider (USP)”
- b. Accordingly, CITC hereby invites any interested parties to participate in this Public Consultation

3. Method of Submission of Comments - - - - - ◆

- a. CITC hereby invites all interested participants to submit their comments to “Draft terms for Customer Quality of Service for Postal and Parcel Services – For Universal Service Provider (USP)”
- b. Participants wishing to present their comments in this Public Consultation must submit these in writing to CITC no later than Dhu'l-Hijjah 12, 1442 H corresponding to July 22, 2021 G
- c. Comments filed in relation to this Public Consultation must be submitted:
 - By email to (PL@citc.gov.sa)
- d. CITC may publish on its website, if it deems fit, the comments submitted by Participants concerning this document
- e. Response to the public consultation needs to be submitted in the below format

Stakeholder Name : _____

Date : _____

Sr. No.	Clause Number	Suggested Amendments to Clauses	Justification for Suggested Amendment

Table 1: Template for providing suggested amendments

Sr. No.	General Comments

Table 2: Template for providing general comments

4. Draft Terms for Customer Quality of Service - - - - - ◆ for Postal and Parcel Services

4.1. Terms and Definitions

- a. **Access Point:** Any box, receptacle or other facility provided for the purpose of receiving Postal Items, or any class of Postal Items, for onwards transmission by post
- b. **Actual Routing Time:** Number of days elapsed between “Deemed Date of Collection” and “Deemed Date of Delivery” including the “Deemed Delivery Date”. Actual routing time is expressed using the formula “D + n”, where,
 - i. “D” means the deemed date of collection; and,
 - ii. “n” means the number of working days between D and the deemed delivery date
- c. **Cut-Off Time:** This is the time up until which one a customer can deposit the book Postal Items to the Service Provider or at the location specified by the Service Provider for collection on the same day to get the promised service
- d. **Deemed Date of Collection:**
 - i. The date when the Postal Item is collected from the customer at a retail outlet, parcel box or from a customer’s location. In case the collection happens after the specified cut-off time, then the deemed date of collection will be the next working day
 - ii. For an international inbound Postal Item, it’s the date when the Postal Item is cleared by Kingdom of Saudi Arabia’s Customs Department. In case the international inbound Postal Items, are cleared by Saudi Arabia’s Customs Department after 9:00 PM, the Deemed Date of Collection will be the next working day
- e. **Deemed Delivery Date:** A Postal Item will be considered as deemed delivered, if:
 - i. It has been delivered to the address marked on the Postal Item or to the address confirmed by the consignee; or,
 - ii. It has been delivered to the location (retail outlet or postal box) requested by the consignee; or,
 - iii. It has been delivered to any other delivery point requested by the consignee; or,
 - iv. First attempt to deliver the Postal Item as per schedule provided by the customer was made, however the Postal Item could not be delivered due to unavailability of the customer; or wrong address provided by the customer; or non-payment of pending dues by the customer; or refusal to accept the delivery; or unavailability of valid ID; or Customer’s inability to provide the OTP; or any other reason which is beyond control of Service Provider
- f. **Delivery Attempt:** An attempt made to deliver the Postal Item to the address marked on the Postal Item, or to the address confirmed by the consignee, or any other location or delivery point requested by the consignee
- g. **Domestic:** In relation to a postal service, means the service is for the conveyance of Postal Items from access points in the Kingdom of Saudi Arabia to addresses in the Kingdom of Saudi Arabia
- h. **End-User:** In relation to a postal service, includes a) consignees, and b) potential users
- i. **Express Service:** A time-definite service for sending Postal Items; express services tend to be faster and cost more than standard services
- j. **First Attempt:** The date upon which the delivery of Postal Item is tried for the first time, to the address provided on the Postal Item

- k. **Framework / Quality of Service (QoS) Framework:** The customer quality of service (QoS) framework comprising of the QoS dimensions to measure the quality of service provided by the Service Provider to the customers
- l. **International:** In relation to a postal service, means the service is for the conveyance of Postal Items outside the Kingdom of Saudi Arabia
- m. **Key Performance Indicator (KPI):** Measurable indicators that reflect the effectiveness performance to achieve the key objectives of quality of service
- n. **Mail (letter/document):** Individually addressed Postal Items where all the below conditions are met:
 - i. The contents of Postal Item is paper(s) or other material with the general characteristics of paper (e.g. tickets, photographs etc.)
 - ii. Maximum length: 45 cm; Maximum width: 35 cm; Maximum thickness/depth: 2.5 cm
 - iii. Maximum weight: 2 kg
- o. **Parcel:** Individually addressed Postal Items which are not classified as Mail and, which do not require special handling like 2-man deliveries, pallets etc.
- p. **Performance Target:** Targets assigned against QoS KPIs to be complied by the Service Provider
 - i. **Performance Targets (Long Term):** Applicable from 1st January 2023 onwards
 - ii. **Performance Targets (Short Term):** Applicable from 1st January 2022 to 31st December 2022 only
- q. **Postal Item:** Means a letter, parcel, packet or other article transmissible by post
- r. **Postal Services:** Postal service means:
 - i. the service of conveying Postal Items from one place to another by post,
 - ii. the incidental services of receiving, collecting, sorting and delivering Postal Items, and
 - iii. any other service which relates to, and is provided in conjunction with, any service within as mentioned in the above two points
- s. **Priority Mail:** A service for sending mails based on weight and dimension or via Flat Rate envelopes or boxes in a fast and affordable way
- t. **Registered Mail:** Mail service which allows the sender proof of mailing via a mailing receipt and, upon request, electronic verification that the mail was delivered or that a delivery attempt was made
- u. **Standard Service:** A cost-effective service for sending Postal Items; standard services are cheaper than the express services but have longer routing times
- v. **Service Provider:** For the purpose of this document, it refers to the Universal Service Provider (USP)
- w. **Working Day:** Any day which is not:
 - i. A Friday; or,
 - ii. A public holiday in the place of collection or the place of delivery of the concerned Postal Item

4.2. Background and Objectives

a. Background:

i. In line with KSA's vision 2030 and the 'National Industrial Development and Logistics Program' under it, CITC has taken this initiative to improve the Quality of Service (QoS) of the postal and parcel sector in KSA

ii. Current State of Postal and Parcel Sector in KSA:

- The postal and parcel market in KSA is somewhat immature as compared to the major economies in the world
- The quality of postal and parcel service provided to the customers isn't up to the expectations of the customers and requires some improvement
- Currently KSA is placed at 50th rank in terms of UPU¹ (Year 2020) and 55th rank (Year 2018) in terms of LPI². While the postal and parcel market in KSA continues to grow rapidly, KSA's performance across the global rankings needs to be improved
- The customer protection framework in KSA isn't fully matured and there is a need to ensure that the customer's rights are fully protected

iii. Regulating Quality of Service:

- In order to improve the current customer QoS, improve KSA's global ranking in terms of postal and parcel services, and monitor the performance levels of the Service Provider, CITC has initiated the development of customer QoS standards
- These quality standards will help in the development of the postal and parcel sector as a whole
- CITC role within the postal and parcel sector in KSA is very important, as the postal and parcel sector in KSA is somewhat immature as compared to the major economies in the world. In addition, the customer protection framework also isn't fully matured. Hence CITC needs to ensure that the customer rights (in terms of postal and parcel services) are also fully protected and safeguarded

b. Objectives: Through these customer QoS standards, CITC intends to:

- Improve the overall QoS provided to customers of the postal and parcel sector
- Improve KSA's global rankings within postal and parcel sector (feature in the top 10 in terms of both UPU and LPI), and promote KSA as a regional postal and parcel leader
- Promote a competitive postal and parcel sector within KSA and push the Service Provider to innovate further and become more efficient

Notes:

1. [Universal Postal Union \(UPU\) - Postal Development Report 2020](#)

2. [The Logistics Performance Index \(LPI\) - Trade Logistics in the Global Economy Report 2018](#)

4.3. Approach

CITC has adopted a three-step approach to define the Customer QoS framework:

- a. **Benchmarking assessment:** CITC conducted a detailed benchmarking study to assess the customer Quality of Service framework and KPIs within the postal and parcel sector in leading countries along with the Quality of Service levels
- b. **Current state assessment:** CITC also conducted detailed interviews with the leading Service Providers in Kingdom of Saudi Arabia, and collected data on the current service levels
- c. **Defining the framework and KPIs:** Based on the benchmarking assessment and the current state assessment, CITC defined the Customer Quality of Service framework for KSA

4.4. Scope

- a. **Applicable Stakeholders:** this framework applies to postal and parcel services provided to the end users by:
 - i. Universal Service Provider (USP)
- b. **Applicable product category:** this framework applies to the services provided to the end users for the product categories mentioned below:
 - i. Collection and Delivery of Mails/letters/documents
 - ii. Collection and Delivery of Parcels
- c. **Applicable service types:** this framework applies for the service types mentioned below:
 - i. Standard Services
 - ii. Priority Mail / Registered Mail Services
 - iii. Express Services
- d. **Geographic Coverage:** this framework applies to the postal and parcel services provided across the following regions:
 - i. Domestic
 - ii. International:
 - International Outbound; and,
 - International Inbound
- e. **Framework Applicability:** This framework would be applicable from 1st January 2022, to ensure that the Service Provider has enough time to make all necessary operational changes to be able to meet the performance targets specified in the framework

4.5. Exclusions

This proposed customer QoS KPI framework excludes anything related to a Postal Item:

- a. which contains an item which is reasonable to exclude from carriage by post for reasons of potential harm to health, public security or compliance with law or other regulatory requirements
- b. which does not comply with conditions reasonably imposed on an item's carriage by post for reasons of potential harm to health, public security or compliance with law or other regulatory requirements
- c. which requires special handling (e.g. Postal Items requiring temperature-controlled collections and deliveries)
- d. which are governed as part of business contracts and have customized SLAs set based on the agreed scope
- e. in case of any incident that can be classified as "Force Majeure", meaning any incident that is beyond the reasonable control of the Service Provider and which cannot be prevented such as an act of God, wars and unavoidable natural disasters

4.6. Customer QoS Framework

- a. **Customer QoS Framework Dimensions:** The Customer QoS Framework for the postal and parcel services provided in KSA is based on the following five dimensions:

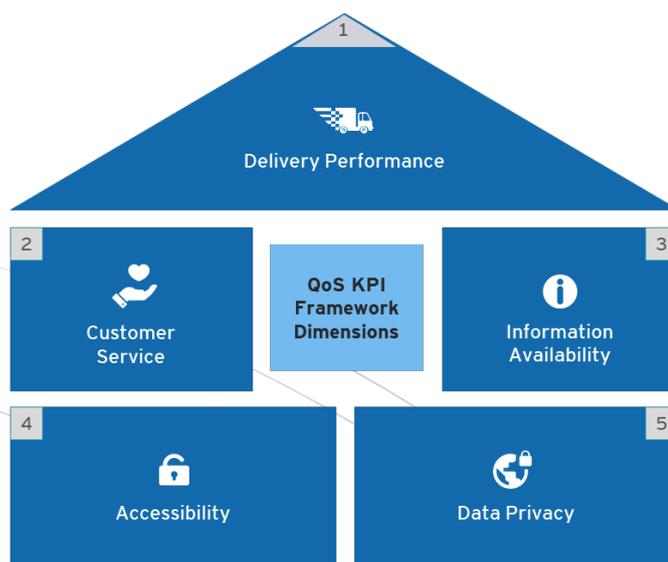


Figure 1: Customer Quality of Service Framework Dimensions

#	Dimension	Description
1	Delivery Performance	Measures the speed, accuracy and reliability of delivery
2	Customer Service	Measures the efficiency of customer complaint resolution across all service channels (call centres, website, email, social media etc.)
3	Information Availability	Measures the accuracy and relevance of information provided to the end user through websites, outlets etc.
4	Accessibility	Measures the penetration level and ease of accessibility of USP's network across Kingdom of Saudi Arabia
5	Data Privacy	Customers' right to respect their privacy and keep their information confidential

Table 3: Customer Quality of Service Framework Dimensions

4.7. Customer QoS KPIs for Universal Service Provider (USP)

i. Delivery Performance

		Domestic			
#	Product	Service Type	Description	Performance Target (Short Term)	Performance Target (Long Term)
1	Mail	Standard	% of mails delivered with an actual routing time of D+3	80%	80%
2			% of mails delivered with an actual routing time of D+5	95%	95%
3		Priority/ Registered	% of mails delivered with an actual routing time of D+2	48%	80%
4			% of mails delivered with an actual routing time of D+4	64%	90%
5		Express (Box or Envelope)	% of mails delivered with an actual routing time of D+1	54%	80%
6			% of mails delivered with an actual routing time of D+3	79%	90%
7		Official (G2G)	% of mails delivered with an actual routing time of D+2	59%	80%
8			% of mails delivered with an actual routing time of D+4	73%	90%
9	Parcel	Standard	% of parcels delivered with an actual routing time of D+3	80%	80%
10			% of parcels delivered with an actual routing time of D+5	95%	95%
11		Express	% of parcels delivered with an actual routing time of D+1	58%	80%
12			% of parcels delivered with an actual routing time of D+3	87%	90%
#	Product	Safety		Performance Target (Short Term)	Performance Target (Long Term)
13	All Postal Items	% of Postal Items lost during delivery		<1%	<0.5%
14	All Postal Items	% of Postal Items damaged during delivery		<1%	<0.5%
International Outbound					

15	Mail	Standard	% of mails delivered within the customer promised time	87.5%	95%
16		Express	% of mails delivered within the customer promised time	86.5%	95%
17	Parcel	Standard	% of parcels delivered within the customer promised time	81.5%	95%
18		Express	% of parcels delivered within the customer promised time	91.5%	95%
#	Product		Safety	Performance Target (Short Term)	Performance Target (Long Term)
19	All Postal Items		% of Postal Items lost during delivery	<1%	<0.5%
20	All Postal Items		% of Postal Items damaged during delivery	<1%	<0.5%
International Inbound					
21	Mail	Standard	% of mails delivered with an actual routing time of D+3 , after customs clearance	78%	80%
22			% of mails delivered with an actual routing time of D+5 , after customs clearance	94%	95%
23		Express	% of mails delivered with an actual routing time of D+1 , after customs clearance	80%	80%
24			% of mails delivered with an actual routing time of D+3 , after customs clearance	95%	95%
25	Parcel	Standard	% of parcels delivered with an actual routing time of D+3 , after customs clearance	78%	80%
26			% of parcels delivered with an actual routing time of D+5 , after customs clearance	94%	95%
27		Express	% of parcels delivered with an actual routing time of D+1 , after customs clearance	67%	80%
28			% of parcels delivered with an actual routing time of D+3 , after customs clearance	88%	95%
#	Product		Safety	Performance Target	Performance Target (Long Term)

			(Short Term)	
29	All Postal Items	% of Postal Items lost during delivery	<1%	<0.5%
20	All Postal Items	% of Postal Items damaged during delivery	<1%	<0.5%

Table 4: Delivery Performance KPIs for USP

ii. Customer Service

#	Channel	Description	Performance Target
1	<ul style="list-style-type: none"> Call Center 	% of complaints/queries answered or responded within 1 minutes during working hours	90%
2		% of complaints resolved within 7 working days	95%
3	<ul style="list-style-type: none"> Social Media (Twitter, WhatsApp) Email; and, Website 	% of complaints/queries answered or responded within 15 minutes during working hours	90%
4		% of complaints resolved within 7 working days	95%
5	<ul style="list-style-type: none"> Customer Satisfaction 	% of customers satisfied with the overall quality of services offered (<i>this KPI will be measured directly by CITC</i>)	80%

Table 5: Customer Service KPIs for USP

iii. Information Availability

#	Tools/Channel	Service Type	Description	Performance Target
1	<ul style="list-style-type: none"> Tracking tools 	<ul style="list-style-type: none"> Registered Mails Priority Mails Express Mails Standard Parcels Express Parcels 	% availability (system uptime) of tracking tools for customers to track mails for which tracking number is provided (e.g. registered mails, priority mails, express mails, standard parcels and express parcels)	95%
2	<ul style="list-style-type: none"> Website Retail Outlets 	<ul style="list-style-type: none"> Standard Mails Registered Mails Priority Mails Express Mails 	Ensure availability of correct and precise information concerning: <ul style="list-style-type: none"> the brand names of the services provided with a view to provide end to end 	NA

	<ul style="list-style-type: none"> Apps (if available) 	<ul style="list-style-type: none"> Standard Parcels Express Parcels 	<ul style="list-style-type: none"> services for domestic and international deliveries; the terms and conditions of those services (including prices); and, the latest delivery times and its specified collection times 	
3	<ul style="list-style-type: none"> Notification 	<ul style="list-style-type: none"> Registered Mails Priority Mails Express Mails Standard Parcels Express Parcels 	% of customers to whom notifications with the estimated delivery date are sent at the time of order booking	95%
4			% of customers to whom notifications are sent related to any changes in the estimated delivery date	95%
5			% of customers to whom notifications are sent when the Postal Item is out for delivery at the address provided	95%

Table 6: Information Availability KPIs for USP

iv. Accessibility

#	Description	Performance Target (Long Term)
1	% of residences in urban areas with access to postal Access Points within 2.5 kms	90%
2	% of residences in non-urban areas with access to postal Access Points within 7.5 kms	85%
3	% of collection and delivery points covered each working day	98%
4	% of collection and delivery points covered at least 2 days per week	99.7%

Table 7: Accessibility KPIs for USP

v. Data Privacy

- Service Provider shall keep confidential all information of the Customer, protect it against infringement on it by whatsoever means, and take all necessary measures to block access to it, prevent disclosure or publishing thereof, or to use or alter it in violation to the laws
- Service Provider shall not disclose Customer's information except when this disclosure is legally permissible in accordance with applicable laws in the Kingdom, or upon explicit

consent of the Customer or who officially represent it in this regard, or subject to a directive from CITC

- Service Provider shall set clear policies restricting access to Customers' information under its control, and shall document any access to it
- Service Provider shall disclose its privacy policy, and determine and define the purposes of requesting, collecting, and storing Customers' information. Such information shall not be used for undisclosed purposes
- Service Provider shall protect the content of the postal items and shall not grant access to it to people unauthorized by law

4.8. Reporting and Publishing

- a. CITC will provide templates to the Service Provider for performance reporting; CITC reserves the right to update or modify templates, as it deems fit, after providing appropriate notice to the Service Provider
- b. The Service Provider must submit their performance across the defined QoS KPIs on their website
- c. The Service Provider must share quarterly performance reports with CITC through email or by uploading them in CITC's website, within 30 days after each quarter ends
- d. CITC may decide to publish the results on its website or identify other channels for publishing the QoS reports, or, parts of the reports in such a way that allows the public to evaluate and compare the performance of the Service Provider

4.9. Compliance and Audit

a. **Audit Methodology:**

- i. CITC may conduct an audit to review the measurements in the QoS reports or appoint an independent audit party to perform the same
- ii. CITC has broad discretionary power to the time and frequency of conducting the audit. Therefore, CITC can perform the audit on a periodic manner or when it suspects a difference between reported and the real QoS values
- iii. The audit methodology will be determined by CITC on a case-by-case basis and may include inspection of the Service Provider's facilities to ensure minimum level of performance compliance or validity of submitted reports

b. **Non-Compliance with QoS Framework KPI Targets:** CITC will follow the below mentioned escalation procedure in case of non-compliance with the KPI's Performance Targets:

- i. Where any QoS report indicates that a Performance target has not been achieved, the Service Provider shall provide an explanation as to why the Performance Target value was not achieved and what specific steps the Service Provider has taken or intends to take to achieve the target
- ii. CITC will notify the Service Provider within 30 days of receiving customer QoS reports, whether it has accepted the explanation provided for any Performance Target that was not achieved. If CITC does not reply within 30 days, the explanation provided is deemed accepted. If CITC does not accept the explanation, the CITC will inform the Service Provider about the additional steps which the Service Provider should take, and what is the given time to implement these steps. CITC reserve the right to force the Service Provider to provide additional reports until the Performance Targets are achieved
- iii. In case the Service Provider does not achieve the Performance Targets, then CITC can impose sanctions and/or financial penalties on the Service Provider according to the Postal and Parcel Services Act and bylaws

4.10. Costs Incurred with the Implementation of the QoS Framework

- a. The Service Provider must bear the costs incurred in relation to implementation and compliance with this customer Quality of Service framework

4.11. Changes to the QoS Framework

- a. CITC reserves the right to add, remove or modify the KPIs and their target values; this may include stricter target values without updating the QoS Framework and the concerned Service Provider will be notified before any change is made
- b. CITC may suspend certain requirements mentioned in the QoS Framework and reinstate the requirements as CITC deems appropriate
- c. CITC reserves the right to review the framework, based on international best practices and the development of the postal and parcel services sector in the Kingdom when CITC deems such necessary