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DEC 17 2013

PPA ADMINISTRATIVE ORDER
NO. 06 - 2013



TO : All Port District Managers, Port Managers
Port Users and Others Concerned

SUBJECT : **AMENDMENT TO PPA ADMINISTRATIVE ORDER NO. 05-2007**
(Revised Guidelines on the Transfer of the Management of PPA Ports to Local Government Units (LGUs) and Government Corporations (GCs))

In keeping with its mandate of port development pursuant to Presidential Decree no. 857, as amended, whereby PPA is expected to implement port development projects to serve the public interest regardless of financial viability, and at the same time pursue its corporate duty to generate sufficient revenue to sustain its operations, PPA Administrative Order No. 05-2007, otherwise known as "*Revised Guidelines on the Transfer of the Management of PPA Ports To Local Government Units (LGUs) and Government Corporations (GCs)*," is hereby amended and modified as follows:

Section 1. Port Development by PPA

PPA shall continue to undertake any required port development, including capital dredging works and major civil works in ports covered by a Memorandum of Agreement (MOA) with LGU or GC, subject to the following conditions:

- 1.1. Availability of PPA funds and resources appropriated for said purpose;
- 1.2. Port development plans submitted by LGU or GC have been favourably recommended by the PDO and PMO holding jurisdiction over the port and approved integrated into the PPA Plans and Programs;
- 1.3. Port development project is located within the delineated port zone and is intended for provision of vessel, cargo and passenger related services;
- 1.4. LGU or GC has faithfully complied with all of its responsibilities as stipulated in the MOA, including port upkeep, repair and maintenance.

Section 2. Quarterly Supervision Fee

- 2.1. The Supervision Fee to be remitted by the LGU or GC to PPA shall be equivalent to fifty percent (50%) of the port revenues generated.
- 2.2. Remittance of Supervision Fee shall be quarterly, on the tenth (10th) day of the first month of the following quarter.
- 2.3. Monthly report of revenues collected shall be submitted by the LGU to the PMO, with copies of the corresponding Official Receipts issued.

VISION

By 2030, customers doing business in our ports shall experience full and sustained productivity, efficiency comfort, connectivity, safety and security.

MISSION

We commit to provide reliable and responsive services in our ports, sustain development of our port communities and environment and be a model corporate agency of the government.

Section 3. Third Party CH Operator

- 3.1. Cargo handling and related services contracted out to third parties by the LGU or GC shall have a term not to exceed the stipulated period of the MOA between PPA and LGU or GC. Provided, that the LGU or GC shall secure the prior approval of Authority, in any and all cases that CH or related services are contracted out to a third party. The contract between the LGU or GC and its subcontractor shall be in such form and terms acceptable to the Authority.
- 3.2. The chosen operator through a Sanggunian Resolution shall comply with the documentary requirements of the Authority as provided under applicable PPA regulations, before the corresponding Permit-To-Operate (PTO) is issued by PPA.
- 3.3. The choice of an operator at a port which is constructed and maintained out of national fund and local fund of a city or a municipality shall be exercised by the Authority in line with the provisions of Section 40 of Presidential Decree No. 857, though the former may recommend the operator to the latter, subject to existing pertinent regulations.

Section 4. LGU/GC Obligation

- 4.1. The LGU or GC shall hold PPA free from any and all liens and/or encumbrances arising from loans and other agreements entered into by the LGU or GC, which shall be held solely responsible whether or not the proceeds thereof were used for port development and similar investments.
- 4.2. The LGU or GC shall be responsible for the upkeep, repair and maintenance of the port, including maintenance dredging works.

Section 5. Pro-forma MOA

The PDO Transition Committee described under Section 12 of PPA AO No. 05-2007 shall submit, among others, as a requirement for the turn-over of ports to LGU or GC a draft MOA in accordance with the format attached to this Order as Annex "A".

Section 6. Audit of Ports Transferred to LGU or GC

The prescribed Performance Evaluation Review For Renewal of MOA (PERFORM), herewith attached as Annex "B", and its subsequent amendments shall be adopted in the conduct of periodic performance audit on the administration and operations of ports transferred to LGU or GC.



Section 7. Applicability Clause

Any of the rules and regulations issued or promulgated by the Authority not covered by this Order but are deemed necessary by the Authority to be pertinent in ensuring the effective development, management and operations of ports transferred to LGUs or GCs, including proper collection or supervision fee, shall be applied and implemented accordingly.

Section 8. Separability Clause

If any section or part of this Order is declared unconstitutional or invalid by a competent authority, the declared invalid section or part thereof shall not affect the other sections or parts to which such declaration of nullity does not apply nor relate.

Section 9. Repealing Clause

This Order amends/modifies pertinent provisions of PPA Administrative Order No. 05-2007. Likewise, all other PPA policies, rules and regulations, or parts thereof inconsistent herewith, are deemed repealed and modified accordingly.

Section 10. Effectivity

This Order shall, after approval of the PPA Board of Directors, take effect fifteen (15) calendar days from its publication in the Official Gazette or in a newspaper of general circulation and a copy filed with the University of Philippines Law Center.


JUAN C. STA. ANA
General Manager

Published in the Philippine Star - December 20, 2013

Effectivity Date January 3, 2014

**MEMORANDUM OF AGREEMENT FOR THE
TRANSFER OF MANAGEMENT, OPERATION AND MAINTENANCE
OF THE PORT OF _____**

KNOW ALL MEN BY THESE PRESENTS:

This **MEMORANDUM OF AGREEMENT**, entered by and between:

The **PHILIPPINE PORTS AUTHORITY**, a government-owned and controlled corporation created under Presidential Decree No. 857, as amended, with principal office at PPA Corporate Center Building, A. Bonifacio Drive, Intramuros, Manila, represented herein by its General Manager, **ATTY. JUAN C. STA. ANA**, duly authorized for the purpose by BoardCom Resolution No. 2007-1094 and confirmed by Board Resolution No. 2109 both dated on 31 July 2007, a copy of which are hereto attached and made an integral part hereof as Annexes "A" and "A-1" and hereinafter referred to as the "**AUTHORITY**";

- and -

The **LOCAL GOVERNMENT OF _____**, a political subdivision of the government of the Republic of the Philippines established pursuant to law, represented herein by its Municipal/City Mayor, _____, duly authorized for the purpose by virtue of Resolution No. _____ of the _____, a copy of which is hereto attached and made an integral part hereof as Annex "B" and hereinafter referred to as the "**LGU - _____**".

WITNESSETH:

WHEREAS, the **AUTHORITY** is vested with the statutory duty to implement an integrated program for the planning, development, financing and operation of ports for the entire country and to exercise all rights, powers and functions concerning port facilities, port operations and port works pursuant to the provisions of P.D. 857, as amended, otherwise known as the Revised Charter of the Philippine Ports Authority;

WHEREAS, under Section 6 of its Revised Charter, the **AUTHORITY** is empowered to provide services within the Port District, whether on its own, by contract or otherwise, and therefore may enter into an agreement with the **LGU - _____** for the management, operation and maintenance of the Port of _____;

WHEREAS, the **LGU - _____** has manifested to the **AUTHORITY** its desire to undertake the management, operation and maintenance of the Port of _____ and the **AUTHORITY** is willing to grant the **LGU - _____** the privilege to manage, operate and maintain the same;

NOW, THEREFORE, for and in consideration of the foregoing premises, the **AUTHORITY** hereby grants unto the **LGU - _____** and the latter hereby accepts the sole and exclusive responsibility to manage, operate and maintain the Port of _____, in accordance with the following terms and conditions to wit;

Section 1. **Area of Management, Operation and Maintenance** - This Agreement covers the Port of _____ located at _____ and more particularly described and delineated in Annex "C", hereto attached and made an integral part hereof.

Anchorage areas fronting the port, and those other areas delineated by the **AUTHORITY** not within the area herein described shall remain under the exclusive jurisdiction of the **AUTHORITY**.

Section 2. **Port Revenues** - The **LGU** - _____ shall be allowed to collect domestic and foreign port charges, cargo handling and other port related fees, including rental and concessionaire fees, prescribed by the **AUTHORITY** for the use of the port and for services rendered thereat, through the Municipal Treasurer who shall be deputized by the **AUTHORITY**. All said revenues of the port shall accrue to the **LGU** - _____ which shall issue official receipt therefor.

Section 3. **Quarterly Supervision Fee** - For the training, guidance and supervision by the **AUTHORITY** in the management, operation of the port, and for the **LGU** - _____ to contribute in the development of the port, the **LGU** - _____ shall remit to the **AUTHORITY** the Supervision Fee equivalent to fifty percent (50%) of port revenues generated on or before the tenth (10th) day of the first month of the following quarter.

Section 4. **Interest and Penalty** - Failure to remit the Quarterly Supervision Fee accruing to the **AUTHORITY** under the preceding Section shall render the **LGU** - _____ liable to the payment of interest on the amount due at the rate of one percent (1%) for every month of delay and additional penalty charges of two (2%) percent per month.

Section 5. **Performance Bond** - To ensure timely payment of the Quarterly Supervision Fee and faithful compliance with all the terms and conditions of this Agreement, **LGU** - _____ shall post a Performance Bond in the amount of ONE HUNDRED THOUSAND (Php100,000.00) PESOS to be secured from Government Service Insurance System (GSIS).

Section 6. **Separate Operating Unit** - The **LGU** - _____ shall by an appropriate council action create a separate unit or department which will manage, operate and maintain the day-to-day affairs of the Port of _____. Said unit or department shall have its own organizational set-up and separate book of accounts from **LGU** - _____.

Section 7. **Upkeep, Repair and Maintenance** - At all times during the effectivity of this Memorandum of Agreement, the **LGU** - _____ shall maintain and repair, at its own expense and account, all structures within said area referred to in Section 1 hereof in clean and good working condition and in accordance with the accepted standards, including the conduct of maintenance dredging works.

For the conduct of capital dredging works necessary to ensure safe passage and berthing of vessels at the Port of _____ during the term of this Agreement, including major civil works such as repair of mooring structures and replacement of rubber dock fenders, the **LGU** - _____ shall formally request the **AUTHORITY** through the PPA Port Management Office (PMO) holding jurisdiction over the port, together with the written justification, for the said undertaking. The PMO shall immediately inspect the validity of the request and make the necessary recommendations to PPA Head Office.

Section 8. **Reports** - The LGU - _____ shall submit to the **AUTHORITY** monthly report on revenues collected with the corresponding copies of official receipt issued.

Further, the LGU - _____ shall furnish the **AUTHORITY** detailed reports of the movement of cargoes and vessels at the premises, safety and security of the port, equipment inventory and productivity, and other reports in such form and frequency that the **AUTHORITY** may prescribe.

Section 9. **Insurance** - The LGU - _____ shall within thirty (30) calendar days from the effectivity of this Agreement insure the facilities, structures and other properties in the premises covered by this Agreement and secure said insurance from the Government Insurance System (GSIS) and furnish the **AUTHORITY** with a copy of the corresponding Insurance Policy thereof. The **AUTHORITY** shall be named beneficiary of such insurance with the obligation to apply the proceeds thereof exclusively for the repair, restoration or replacement of the properties or premises damaged or lost.

Section 10. **Taxes and Other Impositions** - The LGU - _____ shall, at its own expense and without reimbursement from the **AUTHORITY**, pay all taxes, fees, charges and other impositions which may be levied by the local or national government, its agencies or political subdivisions upon the premises and improvement thereof covered by this Agreement.

Section 11. **Utilities** - The LGU - _____ shall be responsible for the payment of all water, light, fuel, garbage collection and disposal, electric power, gas, telephone and other utilities used within the area referred to in Section 1 hereof.

Section 12. **Minimum Cargo Handling Equipment/Gear** - The LGU - _____ shall provide and maintain the sufficient cargo handling, safety and related equipment/gear necessary for the efficient operation of the port as prescribed by the **AUTHORITY**. The same shall be subject review and inspection by the **AUTHORITY** and the LGU - _____ shall commit to replace such equipment which are found to be inefficient and uneconomical to operate and maintain, and procure additional equipment to meet the exigencies of port services.

Section 13. **Existing Agreements** - All existing agreement entered into by the **AUTHORITY** in the port shall be respected by the LGU - _____ for the duration thereof.

Section 14. **Port Development** - The LGU - _____ through a Sanggunian Resolution, may propose port development projects to the **AUTHORITY** for inclusion in the development plans of the Port of _____. All development plans shall have prior approval and shall be implemented by PPA which shall conform with the overall master plan for all the ports nationwide.

Section 15. **Rates and Charges** - The rates and charges collectible by the LGU - _____ from the port users and for services it provides shall be those prescribed by the **AUTHORITY**. The same shall be subject to adjustment in accordance with the price policy and rate setting mechanism adopted by the **AUTHORITY** and the laws and regulations promulgated by the government. No other new charges, fees or dues of any kind or nature shall be collected by LGU - _____ in any passenger, cargo or vessel or for the use of the port facilities thereat.

Section 16. **Permit To Operate (PTO) Cargo Handling and Other Port Related Services** - The cargo handling and other port related services contracted out to third parties by the **LGU** - _____ shall have a term not to exceed the stipulated term of this Agreement. Provided, that the third party service provider chosen by the **LGU** - _____ through a Sanggunian Resolution shall secure the corresponding PTO from the **AUTHORITY** after complying with the documentary requirements thereof as provided under applicable regulations of the **AUTHORITY**.

Section 17. **Grounds for Suspension, Cancellation or Termination of Agreement and Damages** - The **AUTHORITY** may, without prejudice to other remedies against the **LGU** - _____, extra-judicially suspend, cancel or terminate this Agreement on any of the following grounds:

- a. Failure of the **LGU** - _____ to account and/or remit to the **AUTHORITY** its Quarterly Supervision Fee in accordance with Section 3 hereof;
- b. Failure of the **LGU** - _____ to undertake the repairs and maintenance of the areas and structures subject to this Agreement;
- c. Change of control arising from the sale, assignment, transfer or other disposition of the **LGU** - _____ interests in this Agreement;
- d. If the **LGU** - _____ through any of its officials or employees, by taking advantage of their free access to the port premises and vessels calling at the port, engage in or knowingly fails to take action to prevent the commission of smuggling and other illegal activities;
- e. Refusal of the **LGU** - _____ to make available to the **AUTHORITY**, the Commission on Audit or other government agencies exercising visitorial powers, its books of accounts and records pertaining to the management and operations of the subject port;
- f. Refusal of the **LGU** - _____ to allow the **AUTHORITY** from inspecting facilities, structures and equipments of the port, or any portion thereof;
- g. Any violation that may be directly or indirectly imputable to or committed by third parties to whom the **LGU** - _____ may have contracted out of this Agreement;
- h. Imposition/collection by **LGU** - _____ of rates, fees, charges other than those prescribed/authorized by the **AUTHORITY**;
- i. Non-issuance of Official Receipt by the LGU's duly authorized collecting official/s for revenues or payments received for the use of the port and/or services rendered thereat;
- j. Violation of the DILG Memorandum Circular No. 2006-70, dated 26 June 2006, re-issued/updated under DILG MC No. 2001-151 dated 12 October 2011, requiring that the LGUs shall refrain from enforcing any existing or future ordinance authorizing the levy of fees and taxes on inter-province transport of goods, regulatory fees from passengers in local ports, and other additional taxes, fees or charges in any form upon transporting goods and passengers; and,

- k. Violation or non-performance of the other terms and conditions of this Agreement.

Section 18. **Notice of Violation** - The **AUTHORITY** shall inform the **LGU** - _____ in writing of any violation of the terms of this Agreement or its failure to perform any of its commitment or undertaking specified in the agreement, giving the latter reasonable time from receipt of notice within which to correct or rectify the infraction thus committed. In the event the **LGU** - _____ fails to make such rectification to the satisfaction of the **AUTHORITY**, the latter may proceed to cancel or terminate the Agreement.

Section 19. **Ownership** - The premises and structures existing thereon which is the subject of this Agreement shall remain to be under the ownership of the **AUTHORITY**. Likewise, improvements introduced by the **LGU** - _____ shall belong to the **AUTHORITY** without obligation on the part of the latter to reimburse the former for the cost thereof.

Further, the **LGU** - _____ shall hold the **AUTHORITY** free from any and all liens and/or encumbrances arising from loans and other agreements entered into by the **LGU** - _____, which shall be held solely responsible whether or not the proceeds thereof were used for port development and similar investments.

Section 20. **Takeover by the AUTHORITY** - The **AUTHORITY** shall have the right to immediately takeover the operations at the Port of _____, including all equipment and structures thereof, if any, in the following instances:

- a. In case of emergency such as strike, lockout, stoppage of work and other causes of similar nature which continue without let-up for over a week with the **LGU** - _____ showing no capability to resolve it;
- b. In case of violation of any of the terms and conditions of this Agreement or the **AUTHORITY**'s rules and regulations;
- c. In case of suspension, cancellation or termination of the Agreement;
- d. When so directed by a court of law; and
- e. In such other cases when the **AUTHORITY** deems that the takeover is warranted in order to protect and/or promote public interest.

Section 21. **Compliance with Government Rules and Regulations** - The **LGU** - _____ shall, during the term of this Agreement, strictly comply with the pertinent provisions of PPA Administrative Order No. 05-2007, as amended, and all other applicable laws, policies, guidelines, rules and regulations which are now existing or may hereafter be promulgated by the government or by the **AUTHORITY**. All such policies, guidelines, rules and regulations and all applicable laws, shall be read into and made integral part of this Agreement.

Section 22. **Visitorial Powers** - The **LGU** - _____ shall make available at all time during office hours, for inspection, examination and audit by the **AUTHORITY**, the Commission on Audit or other government agencies exercising visitorial powers, all books of accounts and records pertaining to the management and operation of the Port of _____, including all facilities, structures and equipment thereof.

Provided that the authority to inspect, examine and audit shall be exercised by the officials concerned pursuant to and within the limits of the duties and functions vested upon their respective offices by expressed provision of law.

Section 23. **Settlement of Disputes** - The parties hereby agrees to submit all disputes arising from the interpretation or implementation of any provisions of this Agreement to arbitration proceedings as provided for under Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004.

Section 24. **Venue of Any Court Action** - The venue of any court action arising from this Agreement involving any clause, matter or thing whatsoever herein contained, or the rights, duties and liabilities of any part thereof, shall be the proper court in the City of Manila. However, nothing herein contained shall preclude the **AUTHORITY** from exercising its rights under any of the pertinent provisions of this Agreement.

Section 25. **Amendatory Clause** - Subject to the approval of both the **LGU** - _____ and the **AUTHORITY** at anytime during effectivity of this Agreement, any of the parties may propose amendment/s to conform with the provisions of pertinent laws, rules and regulations on the matter.

Section 26. **Terms and Effectivity** - This Agreement shall become effective upon execution hereof by the duly authorized representatives of the parties, and shall remain in full force and effect for a period of **three (3) years**, renewable for another term at the option of the **AUTHORITY**, under such terms and conditions as the parties may agree, unless sooner modified, cancelled or terminated in accordance with the pertinent provisions hereof.

IN WITNESS WHEREOF, the parties hereto have signed this Memorandum of Agreement on _____ day of _____ 2013.

PHILIPPINE PORTS AUTHORITY
By:

LOCAL GOVERNMENT OF

By:

JUAN C. STA. ANA
General Manager

Municipal/ City Mayor

Signed in the presence of:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.

BEFORE ME a Notary Public for and in the City of _____, Philippines, this
_____ day of _____ 2013, personally appeared the following:

NAME	COMPETENT EVIDENCE OF IDENTITY
JUAN C. STA. ANA	Passport ID No. XX1094612 issued on May 5, 2008 at Manila Philippines

known to me and to be known to be the same persons who executed the foregoing
instrument as:

POSITION	COMPANY	CTC NO.	DATE AND PLACE ISSUED
General Manager	Philippine Ports _____ Authority	_____	_____
Mayor	_____	_____	_____

and they acknowledged to me that the same is their own free act and deed as well as
the free and voluntary act of the corporation they represent.

The foregoing instrument is a Memorandum of Agreement for the Administration
of the Port of _____ consisting of _____ () pages, including this
page on which this acknowledgement is written, signed by the parties and their
instrumental witnesses on each and every page hereof.

IN WITNESS WHEREOF, I have hereunto affixed my hand and notarial seal on
these presents at the place and on the date first above written.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of 2013.

**Performance Evaluation Review For Renewal of MOA (PERFORM)
for the Management and Operation of Ports Transferred to Local Government
Units (LGUs) or Government Corporations (GCs)**

1. Objectives

- a. To establish a performance rating system for LGUs and GCs for managing and operating PPA Ports devolved under PPA A.O. 05-2007.
- b. To enhance efficiency, safety and economy of the management and operations of cargo handling/related services.
- c. To rationalize the grounds for the renewal of MOA with LGU/GC.

2. Guidelines

In the implementation of these Guidelines, the following shall be complied with:

- a. Any of the grounds hereunder specified shall be considered as grave violation and constitute sufficient cause in which the PPA may, without prejudice to other remedies against LGU/GC, extra-judicially cancel or terminate the MOA:
 1. Failure of the LGU/GC to account and/or remit to the PPA the Supervision Fee due in accordance with the MOA.
 2. Failure of the LGU/GC to undertake the repairs and/or maintenance of the port, structures and facilities covered by the MOA, including maintenance dredging works.
 3. Change of control arising from the sale, assignment, transfer or other disposition of the interests of the LGU/GC in the MOA, without prior approval from PPA.
 4. If the LGU/GC through any of its officials or employees, by taking advantage of their free access to the port premises and vessels calling at the port, engage in or knowingly fails to take action to prevent the commission of smuggling and other illegal activities.
 5. Refusal of the LGU/GC to make available to the PPA or the Commission on Audit (COA), its books of accounts and records pertaining to the management, operations and maintenance of the subject port.
 6. Imposition and/or collection of fees, dues or charges other than those allowed or authorized by PPA in the subject port.
 7. Violation of the DILG Memorandum Circular No.2006-70, dated 26 June 2006, re-issued/updated under DILG MC No. 2001-151 dated 12 October 2011, subsequent amendments thereto or other laws which will hereafter be promulgated, requiring that the LGUs shall refrain

from enforcing any existing or future ordinances authorizing the levy of fees or charges in any form upon transporting goods and passengers.

8. Violation or non-performance of other terms and conditions of the MOA and PPA Administrative Order No. 05-2007, as amended.
 9. Any violation that may be directly or indirectly imputable to or committed by third parties to whom the LGU/GC may have contracted out the MOA.
 10. Failure of the LGU/GC to post prescribed performance bond within one (1) month after the execution of the MOA or renew the same within one (1) month upon expiration of said bond.
- b. The Internal Control Department (ICD) and/or Internal Control Staff (ICS), the Offices primarily responsible for conducting the audit, shall proceed with the performance evaluation of the LGU/GC even when the latter has committed any of the foregoing grave violations. However, no corresponding adjectival rating shall be provided by the ICD/ICS and said violations and other findings shall be qualitatively stated in the audit report.
 - c. Only when there is no violation of any of the grave offenses that the LGU/GC shall be rated accordingly using the simplified PASS/FAIL performance evaluation method of PERFORM.
 - d. For purposes of rating, a point is earned for every audit item passed and an adjectival rating shall correspond to the total points earned by the LGU/GC.
 - e. When the LGU/GC's performance is rated below "Satisfactory", cancellation/termination of its MOA shall be initiated subject to the implementation of the provision on Notice of Violation in MOA.
3. Sanctions
- a. For the LGU/GC whose MOA has been cancelled/terminated, the management and operation of the port subject of the MOA shall thereafter be taken over by PPA.
 - b. For the LGU/GC which earned a performance rating below "Satisfactory" in its most recent audit report prior to the application for the renewal of MOA, said renewal shall not be granted by PPA.

The foregoing sanctions shall be without prejudice to any civil and/or criminal liabilities that may be filed with and adjudicated by a court of competent jurisdiction.

4. PERFORM

I. ORGANIZATION AND MANAGEMENT

Audit Item	PASS	FAIL
<p>A. Submission to Supervision and/or Overseeing by Authority</p> <p>LGU/GC submits to supervision, inspection and/or overseeing its port operations and financial transactions by the Authority.</p>		
<p>B. LGU/GC Port Management Unit</p> <p>LGU/GC's organizational structure for port management provides adequate administrative and fiscal control over port resources/properties as well as in the conduct of port operations.</p>		
<p>C. Training of Port Personnel</p> <p>LGU/GC submits to PPA, training programs for its portworkers, which shall contain, among others, port related courses, schedule, venue and the agency/outfit (government or private) that will conduct the training. Such training programs shall be in coordination with the PPA Training Center (PPATC).</p>		
<p>D. Labor Management</p> <p>1. Compliant to age requirement</p> <p>LGU/GC or its Cargo Handling (CH) Contractor shall not hire portworkers below 18 years of age.</p>		
<p>2. Equal Earning Opportunity/Labor Rotation</p> <p>Portworkers rotated in a manner that everyone is given equal earning opportunity. The total working hours in a month shall be fairly distributed among labor pool.</p>		

Audit Item	PASS	FAIL
<p>3. Maintenance of Payroll</p> <p>Payroll of personnel/portworkers contains complete information as to the period, rate, number of hours/days worked, amount of gross pay, deductions, net pay and signature.</p>		
<p>4. Payment of Salaries/Minimum Wages</p> <p>Portworkers are paid directly in accordance with existing laws on wages, overtime rates, night differential premium and others.</p>		
<p>5. Social Security</p> <p>Portworkers possess SSS ID. Contributions for insurance/retirement premiums, Medicare and ECC and loan payments to SSS shall be fully remitted in accordance with the prescribed schedule.</p>		
<p>6. Maintenance of Portworkers' Retirement & Separation Fund</p> <p>LGU/GC maintains a Trust Fund for the benefit of portworkers who resign/retire or have been retrenched or whose services have been terminated due to changes in cargo handling contractors.</p>		
<p>E. Medical Attendance</p> <p>LGU/GC provides free medical attendance to its portworkers in accordance with Article XII of the Dockwork Safety and Health Standards (DSHS).</p>		

II. OPERATIONS

Audit Item	PASS	FAIL
<p>A. Cargo Handling System</p> <p>1. Cargo Handling Method</p> <p>LGU/GC or its CH contractor, adopts the most expedient and safest method and/or style of handling diversified cargoes.</p>		

Audit Item	PASS	FAIL
<p>2. Cargo Location System/Plan</p> <p>LGU/GC or its CH contractor, has in place an effective cargo location system and performs systematic consolidation and segregation of cargoes within 24 hours after discharge.</p>		
<p>3. Storage/Stacking/Piling of Cargoes</p> <p>LGU/GC or its CH contractor, has adopted method(s) in handling materials/cargoes and in storing/stacking the same in accordance with the provisions of Article XIV of DSHS.</p>		
<p>B. Processing and Documentation</p> <p>1. Processing</p> <p>LGU/GC or its CH contractor, upon receipt of complete documents, processes the same to the satisfaction of port users and release the said cargo within one (1) hour.</p>		
<p>2. Documentation</p> <p>An accurate account of cargoes loaded and unloaded per vessel is registered and reported properly.</p>		
<p>C. Records of Shipcalls, Labor Productivity and Cargoes Handled</p> <p>LGU/GC or its CH contractor maintains a complete record of shipcalls per type of vessel; destination and frequency; labor productivity by type of operation; and, cargo tonnage handled by type of cargoes, e.g.bulk, breakbulk, containerized.</p>		
<p>D. Reports</p> <p>LGU/GC submits to PPA detailed reports of the movement of cargoes and vessels at the port, safety and security of the port premises, equipment inventory and productivity, and other reports in such form and frequency that the PPA may prescribed.</p>		

Audit Item	PASS	FAIL
<p>E. Safety</p> <p>1. Safety Program and Officer</p> <p>LGU/GC employs a Safety Officer and formulates a Safety Program which is fully implemented.</p>		
<p>2. First Aid Boxes/Drinking Water Facilities</p> <p>LGU/GC makes available at strategic areas sufficient number of suitable and adequately stocked first aid boxes and drinking water facilities for common use.</p>		
<p>3. Safety Signs/Slogans</p> <p>LGU/GC posts in strategic locations adequate safety signs/slogans in all workplaces.</p>		
<p>4. Protective Devices/Safety Gears</p> <p>LGU/GC provides its portworkers with safety gloves, hard hats and safety shoes and in no case shall said workers be allowed to work without them.</p>		
<p>5. Fire Fighting Drills</p> <p>Fire fighting drills were held at least once a year or as often as necessary by the Fire Brigade of the LGU/GC where other port users were involved. Thereafter, a fire drill report was submitted to PPA.</p>		
<p>6. Accident/Incident Report</p> <p>LGU/GC submits to the Authority all work accidents and occupational illnesses resulting from port operations and/or condition of employment.</p>		
<p>F. Cleanliness, Orderliness and Environmental Protection</p> <p>LGU/GC ensures the cleanliness of all facilities and areas within the port zone and adopts measures for protection of environment such as proper waste disposal and segregation.</p>		
<p>G. Security</p> <p>LGU/GC engages the services of duly licensed security personnel to safeguard its offices, equipment and cargoes while under its custody.</p>		

III. FINANCE

Audit Item	PASS	FAIL
<p>A. Bookkeeping</p> <p>LGU/GC maintains a separate Book of Accounts for the management and operation of the port which is registered, adequate and recorded properly.</p>		
<p>B. Accountable Forms</p> <p>Bills of Charges, invoices and official receipts were printed, pre-numbered and registered with the BIR.</p>		
<p>C. Authorized Cargo Handling Tariff</p> <p>All cargoes handled, received and placed under the custody of the LGU/GC shall be billed the corresponding arrastre, stevedoring or other service charges using rates duly approved by the PPA.</p>		
<p>D. Classification and Segregation of Charges/VAT in the Bills/Invoices/ORs</p> <p>The nature of charges, corresponding rates and VAT shall be specifically indicated in the bill.</p>		
<p>E. Financial Reports Including Annual Reports</p> <p>All remittances shall be accompanied by a monthly report of gross income duly certified by the LGU/GC.</p>		

SUMMARY:

AREA	TOTAL POINTS	POINTS EARNED	ADJECTIVAL RATING
I. Organization and Management	10		
II. Operations	15		
III. Finance	5		
TOTAL	30		

Rating

30

27 - 29

26

Below 26

Adjectival Rating

Outstanding

Very Satisfactory

Satisfactory

Unsatisfactory