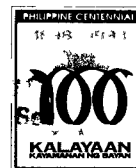


Republika ng Pilipinas
PANGASIWAAN NG DAUNGAN NG PILIPINAS
(PHILIPPINE PORTS AUTHORITY)
Marsman Bldg 22 M de San Francisco
South Harbor, Manila 1018



SEP 12 1996

PPA ADMINISTRATIVE ORDER
NO. 13 - 96

T O : All Cargo Handling Contractors
PPA Department/PDO/PMO Managers and
All Others Concerned

SUBJECT . Prescribing PPA Performance Standards and
Rating System for Cargo Handling Contractors
and Providing Sanctions Therefor

1. AUTHORITY

- 1.1 Secs. 2 (a) and (b), Article II; 6 (a), (111) and (x), Article IV, and Sec 26 (a), Article VIII of P. D 857, Revised Charter of PPA
- 1 2 Sec. 12.04 of PPA A O No. 10-81 dated 13 April 1981, General Conditions on all Contracts/Permits for the Management and Operations of Cargo Handling Services
- 1 3 Pertinent provisions of Cargo Handling Contracts concluded pursuant to
 - 1 3 1 PPA M. C No 08-88 dated 08 February 1988 prescribing Policies on the Cargo Handling Contract System;
 - 1 3 2 PPA M C No 32-88 dated 13 October 1988 providing Supplemental Guidelines in the Evaluation of Applications for Renewal of Contracts or Permits to Operate Cargo Handling and Other Related Services in the Port
 - 1 3.3 PPA A O No 03-90 dated 14 May 1990 stipulating the Implementing Guidelines on the Cargo Handling Contract System, and,
 - 1 3 4 PPA A O No 10-95 dated 13 January 1995 prescribing Guidelines on the Revocation/Cancellation of Contract/Permit for Cargo Handling Services or Cargo Handling Contract Recall (CHCR)

2 TITLE/DEFINITION

- 2.1 This Administrative Order, which establishes the Performance Standards (Appendix I) and Rating System (Appendix II), shall henceforth be known and cited as the PPA "Performance Standards and Rating System for Cargo Handling Contractors (PSRS).
- 2.2 "Performance Standards" refers to the obligation of the cargo handling Contractor to operate cargo handling/related services as provided in their contract/permit/hold-over Authority and/or as prescribed by PPA rules and other government regulations.
- 2.3 "Rating System" is the process by which the level of performance of the cargo handling Contractor is measured according to the standards set by the Authority.

3. PURPOSE

To establish a Performance Standards and Rating System for cargo handling contractors.

4. SCOPE

This Order shall apply to cargo handling Contractors in government ports under the jurisdiction of the Philippine Ports Authority (PPA).

5. OBJECTIVES

- 5.1 To professionalize the management and operations of cargo handling/related services.
- 5.2 To instill greater discipline in the management and operation of cargo handling/related services.
- 5.3 To enhance the efficiency, safety and economy of the management and operations of cargo handling/related services.
- 5.4 To rationalize the grounds for the cancellation or termination of cargo handling contracts/permits

6 GUIDELINES

In the implementation of this Order, the following guidelines shall be complied with:

6 1 Any of the grounds hereunder specified shall be considered as grave violation and constitute sufficient cause for the cancellation/termination of contract/permit for cargo handling/related services:

6.1.1 Refusal of the Contractor to make available to COA auditors or PPA officials (who are vested with authority to conduct audit) its books of accounts and other documents for inspection and examination as provided in its contract/permit.

6.1.2 Refusal of the Contractor to submit to PPA supervision, inspection and/or overseeing by the Authority and/or its duly authorized representative.

6.1.3 Failure of the Contractor to provide and maintain existing and committed equipment stated in its contract.

6.1.4 Failure of the Contractor to attain the committed annual production rates as provided in its contract, taking into account obtaining operational conditions.

6.1.5 Failure of the Contractor to remit any two (2) monthly committed fee installments and/or government share from due date.

6.1.6 Failure of the Contractor to pay to its employees, laborers, stevedores and dockworkers salaries or wages in accordance with the minimum wage law or failure to remit premiums to SSS, Medicare and fringe benefits as their obligations fall due.

6.1.7 Failure of the Contractor to post the prescribed performance bond within one (1) month after the execution of the contract or renew the same within one (1) month upon expiration of said bond

6.1.8 Change of control of the company/firm arising from its sale, assignment, transfer or sub-contract or other disposition of capital stock by the Contractor without the prior written consent/approval of the Authority

6.1 9 Involvement/Participation of the Contractor in smuggling or related activities through any of its corporate officers and ranking management officials or employees from the rank of supervisor or higher and by taking advantage of their free access to the port premises and the vessels calling at the port resulting to the prejudice of the PPA, port users or others concerned.

6.1.10 Involvement of the Contractor or allowing others to engage in any other practices that will unduly cause termination/suspension/disruption of the operations of cargo handling/related services

6.2 The Internal Control Department (ICD) and/or Internal Control Staff (ICS), the Offices primarily responsible for conducting the audit of cargo handling/related services, shall not rate the Contractor when the latter has committed any of the grave violations under paragraph 6.1. However, said violation and other findings shall be qualitatively stated in the audit report

6.3 When there is no violation of any of the grave offenses under paragraph 6.1 hereof, the Contractor shall be rated in accordance with the PSRS including the items under subparagraph nos. 6.1.1 to 6.1.7.

6.4 When the Contractor's performance is rated below 70%, cancellation/termination of its contract/permit to operate cargo handling/related services shall be initiated in accordance with the procedures/guidelines prescribed in PPA A.O. No. 10-95 dated 13 January 1995.

7. INCENTIVES

In case of tie in the evaluation of bids of cargo handling services between a bidder and the cargo handling operator of said services whose latest performance was rated Outstanding, the award shall be given to the latter

8 SANCTIONS

The Contractor whose contract has been cancelled/terminated shall be disqualified from participating in any public bidding for cargo handling/related services to be conducted 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

9. SEPARABILITY CLAUSE

If for any reason, any section or part of this Order is declared unconstitutional or invalid by competent authority, the declared invalid section or part thereof shall not affect the other sections or parts to which such declaration or nullity does not apply or relate

10. REPEALING CLAUSE

This Order amends/modifies pertinent provisions of PPA Administrative Order No. 10-95 and other PPA issuances inconsistent herewith.

11. EFFECTIVITY CLAUSE

This Order shall, after approval by the Board of Directors of the Authority, take effect January 1, 1997 following its publication in a newspaper of general circulation.


CARLOS L. AGUSTIN
General Manager

Published in the following newspapers:

1. Philippine Star)
2. Manila Standard)

Date of Publication: Nov. 15, 1996

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APPENDIX I to PPA A.O. No. 13 - 96

PERFORMANCE STANDARDS FOR CARGO HANDLING CONTRACTORS

I. ORGANIZATION AND MANAGEMENT

A. Visitorial Powers

The Contractor shall make available at all times during office hours, for inspection, examination and audit by the Authority, COA and other government agencies exercising visitorial powers, books of accounts, properties, inventories, payrolls, financial records and other records concerning cargo received and delivered by the Contractor as well as labor agreements and contracts; provided that the authority to inspect, examine and audit shall be exercised by the visiting officials concerned pursuant to and within the limits of the duties and functions vested upon their respective offices and express provisions of law.

(Ref. PPA A.O. 10-81, Section 8.02)

B. Submission to Supervision and/or Overseeing by the Authority

The Contractor shall submit to supervision, inspection and/or overseeing its operations and financial transactions by the Authority thru the Port Manager concerned or his duly authorized representative to insure faithful compliance with the provisions of the contract, and such directives, rules and regulations as the Authority may promulgate from time to time

The Cargo Handling Compliance Report herein attached as Annex 'A' shall be used as basis for ascertaining the Contractor's compliance

(Ref. PPA A.O. 10-81, Sec. 8 03)

C Registration with Government Agencies

The Contractor shall possess a management contract/permit to operate cargo handling/related services from PPA. It shall be duly registered with BDT or DTI, BIR, SSS and shall possess a current Mayor's Permit. If the Contractor is a corporation, its Articles of Incorporation and any amendment thereto shall be registered with SEC. For a Cooperative, its Constitution and By-Laws shall be registered with the Cooperatives Development Authority.

The above are basic legal requirements for a business to operate. Some of these have to be renewed, hence, compliance has to be evaluated.

D. Functional Units

The Contractor's organizational structure shall provide adequate administrative and fiscal control over resources/property of the company as well as in the conduct of its operations. The functional structure shall include units to handle administrative, finance and operations as well as support services such as maintenance of equipment and safety and security of property and personnel. Each functional unit shall have clearly defined activities to be undertaken and delegation of authority to ensure smooth flow of business transactions and accomplishment of its objectives.

E. Training of Personnel

Based on TNA conducted by PPATC, PDO, PMO or HRDC, the Contractor shall submit, for approval of the PMO, a training program for its dockworkers, which shall contain, among others, course design duly approved by PPATC, schedule, venue and the agency/outfit (gov't. or private) that will conduct the trainings. One hundred percent (100%) of personnel recommended for training as a result of the TNA conducted shall have undergone training within two (2) years from the conduct of the TNA.

Non-port related trainings shall be reported to the PPATC through the PMO

F Labor Management Relations

The Contractor shall not hire persons below 18 years of age

The Contractor shall pay its workers in accordance with existing laws on wages, overtime rates, night differential premium and others.

Laborers shall be rotated in a manner that everyone is given equal earning opportunity. The total working hours in a month shall be fairly distributed among the pool of them. The Contractor shall submit to the PMO concerned, for approval, a labor rotation system that will give its regular workers equitable earning opportunity. The system, once approved, shall be subject to review if properly implemented.

Wages of workers shall be paid directly to them. On-Call/Rotation workers shall be paid their wages weekly. Daily/Monthly paid workers shall be paid their wages in accordance with Contractor's existing payroll system.

Payroll of personnel/workers shall contain complete information as to the period, rate, no. of hrs/days worked, amount of gross pay, deductions, net pay and signature

All workers shall 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

The Contractor shall maintain a Trust Fund for laborers as may be prescribed by PPA, to be used only for the benefits of laborers who resign/retire or have been retrenched or whose services have been terminated due to changes in cargo handling contractors. The laborers shall be entitled to at least the minimum benefits as provided under the Labor Code, as amended

Said Trust Fund shall be deposited in escrow with a bank acceptable to PPA and shall not be withdrawn without the concurrence of the Authority through the Port Manager or his authorized representative

All facilities (recreational and social) and benefits prescribed in the CBA, labor laws and PPA AO 10-81 shall accordingly be provided by the Contractor

(Ref Sec. 7.01, 7 04-05, 7 07 Article VII, Sec 2 04, Article II of A O 10-81 and PPA MC No 05-95)

G ID and Uniform

The Contractor shall issue IDs to its laborers and provide at least two (2) sets of uniform a year

No worker/laborer shall be allowed to work without wearing IDs/uniforms.

(Ref: Section 1.1 of A.O. 22-77)

H. Medical and Dental Attendance

The Contractor shall provide free medical and dental attendance to his laborers/employees in accordance with the Dockwork Safety and Health Standards (DSHS).

The provision of the DSHS requiring the Contractor to provide an emergency clinic may not be complied with provided that there is an emergency hospital or dental clinic which is not more than five (5) kms. away from the work place if situated in an urban area or which can be reached by a motor vehicle in 25 minutes of travel if situated in a rural area, and the Contractor has facilities readily available for transporting a worker to the hospital or clinic in case of emergency.

Provided further that, the Contractor shall enter into a written contract with the hospital or dental clinic for the use thereof in the treatment of workers in case of emergency.

(Ref: DSHS and Section 5, Rule 1, Book IV Rules and Regulations Implementing the Labor Code)

II. PRODUCTIVITY

A Manpower

Labor force shall be properly organized into as many groups with complete complement of work force of gang boss/foreman, winchman, signalman and dockworkers/stevedores and checker as are necessary to adequately meet a particular type of operation. Said labor force shall be priorly notified so that it shall be available within one (1) hour from receipt of notice of readiness for domestic vessels and boats and within four (4) hours for foreign vessels.

(Ref: Sec. 7.03 of A.O 10-81)

B. Cargo Handling Equipment/Gears

Provision of Minimum and Procurement of Committed Cargo Handling Equipment/Gears

The Contractor shall provide the minimum and procure the committed cargo handling equipment and gears specified in the contract/permit.

(Ref. Contract/Permit or Sec. 2.01 and 2.02 of A.O 10-81)

Equipment Maintenance

The Contractor shall, at all times, maintain its equipment, tools and gears in good running condition to adequately meet the day-to-day needs. For purposes of monitoring compliance, the Contractor shall maintain a monthly utilization record of all its equipment. A duly certified Monthly Equipment Utilization Report shall be submitted for validation by the PMO

If full compliance cannot be attained by the cargo handling Contractor, substantial compliance to equipment maintenance shall be certified by the PMO. Otherwise, rating shall be 'zero'

(Ref: Sec 2.01 of A.O. 10-81, Contract/Permit)

C. Cargo Handling and Location System

The Contractor shall adopt the most expedient and safest method and/or style of handling (loading/discharging) diversified cargoes utilizing appropriate cargo handling gears/devices under conditions obtaining in the area taking into consideration vessel type and cargo

- a. Type - Container, loose/breakbulk, liquid bulk, solid bulk
- b. Packaging - Bag/sack, carton, crate, cylinder, drum, etc.
- c. Size, Shape and/or Configuration
- d. Weight
- e. Classification whether dangerous cargo, etc.

Likewise, the Contractor shall have an effective cargo location system and shall systematically pile and segregate cargoes within 24 hours after their discharge from vessels according to their marks, numbers, registries, etc. It shall be able to locate any cargo within one (1) hour from presentation of Bill of Lading/Delivery Permit. The cargo location system shall be confirmed and approved by the PMO.

The nature and type of packaging of cargoes shall be considered when stacking cargoes. The Contractor shall maximize utilization of storage areas with provisions for aisles measuring at least three (3) meters in width for the uninterrupted movement of equipment. Outbound and inbound cargoes shall be stored separately and that the storage space for delicate, highly valuable and pilferable cargoes, bad order and dangerous cargoes shall be delineated.

The method(s) so adopted by the Contractor in handling materials/cargoes and/or in storing/stacking the same shall be in conformity with the provisions of Article XIV of the DSHS.

(Ref: Sec 4.09, Article IV of PPA A.O. 10-81 and DSHS)

D Processing and Documentation

The Contractor shall, upon receipt of complete documents, process the same to the satisfaction of port users and release said cargo within the following time frames

- For domestic - within one (1) hour
- For foreign - within five (5) hours

Yardstick to be used in rating shall be written complaint(s) against the cargo handling Contractor

Entry/Withdrawal of cargoes shall be covered by the following documents or their equivalent and, whenever applicable, cleared by PMO operations personnel

1. Withdrawal of Inbound Cargoes

- a) Bill of Lading
- b) Arrastre OR/Charge Invoice
- c) Delivery Receipt/Gate Pass
- d) Bureau of Customs Import Document

2. Entry of Outbound cargoes

- a) Bill of Lading
- b) Arrastre OR/Charge Invoice
- c) Bureau of Customs Export Document

An accurate account of cargoes loaded and unloaded per vessel shall be made in the loading and unloading Tally Sheets which shall be summarized in a Discharging/Loading Report supported by Foreman's Report or Statement of Fact.

(Ref. Section 4.01-4.04 of A O. 10-81)

E Production Rate

The Contractor shall meet the required production rate prescribed per contract or permit. In the absence of a contract/permit, the production rate derived from VOCs for a period of one year shall be used as basis.

(Ref. Contract/Permit)

F Records of Shipcalls, Labor Productivity and Cargo Handled

The Contractor shall maintain 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

(Ref: Section 8.01 of A.O 10-81)

G **Reports**

1. There shall be proper implementation/ operationalization of Vessel Operations Commitment (VOC).
2. Post Vessel Operation Evaluation Report (PVOER) shall likewise be properly accomplished and submitted on time to PPA.

Further, the Contractor shall accomplish and submit to the PMO not later than 24 hours after completion of the discharging and loading operations, other accurate and true operational reports, including but not limited to "Discharging/Loading Report."

(Ref: Section 4.01-4.04; 8.01 of A.O. 10-81; PPA A.O. 02-95 and local issuances)

III. OPERATIONS

A Safety

Safety Committee, Safety Program and Safety Officer

The Contractor shall organize a Safety Committee and employ a Safety Officer in accordance with the Dockwork Safety and Health Standards (DSHS). The Committee must be active and shall formulate a Safety Program which shall be fully implemented by the Contractor.

First Aider

In all workplaces where there are more than one workshift, the Contractor shall provide for each shift the services of a part time first aider if the number of workers is not more than 50 and full time first aider if the number of workers is over 50. The appointed/designated first aiders shall possess a formal training on first aid. A mere designation of a first aider with no training shall not be allowed.

First Aid Boxes

The Contractor shall make available at every working place a sufficient number of suitable and adequately stocked first aid boxes or cupboards. The contents of first aid boxes shall comply with the relevant provisions of the Philippine National Red Cross and other appropriate national regulations and standards. The minimum requirement are as follows.

a.	Mosquito Forcep	1 pc.
b.	Bandage Scissors	1 pc
c.	Hot Water Bag	1 pc.
d.	Ice Bag	1 pc.
e.	Penlight with Battery	1 pc
f.	Absorbent Cotton	1 roll
g.	Gauze Tape	1 roll
h.	Triangular Bandage	5 pcs
i.	Elastic Bandage (5 x 2)	1 roll
j.	Gauze Pads	10 pcs
k.	Band-Aid Plaster Strip	10 pcs.
l.	Surgical Gloves (Disposable)	5 pairs
m.	Rubbing Alcohol (70%)	1 cont
n.	Hydrogen Peroxide	1 bot
o.	Caladryl	1 bot
p.	Betadine Solution or Terramycine	1 bot
q.	Eye-Mo/Visine eye drops	1 bot

Optional:

- | | | | |
|----|---|------|--|
| a. | Oral Thermometer | 1 pc | |
| b. | BP Apparatus | | |
| c. | Kidney Basin | 1 pc | |
| c. | Medicines, in consultation
with physicians, for. | | Headache
Dizziness
Fever
Diarrhea
Stomach ache
Pain Reliever
Colds/Coughs. |

Nothing, except appliances or requisites for first aid, shall be kept in first aid boxes or cupboards. They shall contain simple and clear instructions to be followed in emergencies. Necessary replenishment of contents shall be made regularly.

Safety Signs/Slogans

The Contractor shall post in strategic locations adequate safety signs/slogans in all workplaces.

Drinking Water Facility

The Contractor shall provide and maintain drinking water facilities for common use. Containers with potable water shall be fitted with a cover and faucet. Such containers shall be labelled "For Drinking Only " Where water provided for use in dockwork, including fire protection, is unsuitable for drinking purposes, conspicuous points of supply shall state clearly that such water is not fit for drinking.

Toilet Facility

The Contractor shall provide at each workplace toilet facilities following the ratios, per shift, prescribed below

1. When the number of workers is not more than twenty (20) the required minimum number of facilities shall be one toilet seat and one (1) urinal;
2. When the number of workers exceeds twenty (20) but not more than two hundred (200) one toilet seat and one urinal shall be provided per forty (40) workers;
3. When the number of workers exceeds two hundred (200), one toilet seat and one urinal shall be provided per fifty (50) workers

Further, a floor drain with water seal shall be provided in each toilet room to facilitate flushing of the floor. Toilet fixtures shall be constructed and maintained in conformity with good sanitary standards. Toilets shall be provided with washing facilities and maintained in a clean and sanitary condition.

Such facilities shall be suitably situated, dimensioned, constructed, enclosed and equipped for their purpose. It shall be maintained in a clean and sanitary condition, well ventilated and lighted

Protective Devices

The Contractor shall provide its dockworkers with safety gloves, hard hats and safety shoes and in no case shall said workers be allowed to work without them. Where dockworkers are exposed to poisonous or irritating concentrations of dust/vapor, they shall be provided with a respiratory protective equipment prescribed by the DSHS.

Fire Fighting Equipment

The Contractor shall provide operational fire fighting equipment required by the contract/PMO/Section 2, Article X of the DSHS. In addition to the minimum fire fighting equipment requirements, the Contractor shall provide separate fire extinguishers of the BCF type in all Dangerous Cargo Areas.

Deployment of Fire Fighting Equipment

Fire fighting equipment shall be strategically deployed in operational and dangerous cargo areas and maintained in accordance with Sections 1 and 3, Article X, of the DSHS.

Fire Brigade

The Contractor shall provide a well trained and equipped fire brigade on a 24-hour basis as required under Section 5, Article X of DSHS. For shifts with no or zero" operation, the contractor shall field its Fire Marshall(s) in lieu of deploying its fire brigade provided that members of the fire brigade can be easily alarmed and be made immediately available in case of fire

Further, the Contractor shall have a contingency plan coordinated with and approved by the PMO

Fire Fighting Drills

Fire fighting drills shall be held at least once every three (3) months or as often as necessary by the Fire Brigade of the Contractor and other port users concerned and subsequently thereafter a fire drill report shall be submitted to the Authority.

Such drills shall closely approximate actual conditions of fire fighting, including use of equipment

Accident Reports

The Contractor shall submit to the Authority all work accidents and occupational illness resulting from the condition of employment or from the activity performed in connection with such employment every 10th day of the succeeding month.

When the accident or illness results in death or permanent total disability, the Contractor, in addition to the written report required above, shall initially notify the Authority within 24 hours using the fastest means of communication.

(Ref: Section 4.15 of A.O. 10-81 and Articles II, III, IV, V, X, XI, XII & XIII of the DSHS)

B Pilferages or Damages to Cargoes

The Contractor shall control pilferages or damages to cargoes which shall not be more than 5% of the Contractor's gross revenue for the contract year.

The Contractor shall be responsible for all damages or destruction to any cargo duly receipted by them while in their custody or under their control within their authorized area of operation, provided, however, that it shall not be responsible for

- a. The condition of the contents of any package received; and
- b. Any loss, injury or damage to cargo received or held in the pier, shed, warehouse or facility due to causes beyond the Contractor's control or capacity to prevent or remedy.

The Contractor, against whom a claim is filed, shall decide and resolve the same within 30 days after receipt of complete documents. It shall comply with the procedure on claims settlement/disposition as prescribed

Further, the Contractor shall submit to PPA a monthly report on pilferages and/or damages to cargoes regardless of whether pilferages/damages exist or not

(Ref. Section 6 01, 6 02 and 6 03 of PPA A O 10-81)

C. **Cleanliness and Orderliness**

The Contractor shall be responsible for the cleanliness of its area of operation, except those areas exclusively used by PPA and other government/private entities within the port zone

The Contractor shall always ensure that

- 1 All wharves, quays, decks and similar places where dockwork is performed as well as stairways, passageways and accessways are kept free of any obstruction at all times,
2. Repair and maintenance personnel are required to clean up places when their job is completed. This includes removal of scraps of metal or wood, refuse, wires, oily rags, spilled flammable liquids, greases or other slippery and dangerous substances which shall be cleaned up immediately,
- 3 Loose gear, tools and similar equipment are removed from working areas when not in use and are adequately secured,
- 4 All broken straps, exposed nails, or wires from containers or unit loads are properly disposed of; and
- 5 Appropriate receptacle/container (covered if necessary) for the collection and separation of trash, rags and other refuse, especially waste soiled by combustible or flammable material, are provided. Disposal shall be made daily and as frequent as necessary

(Ref Section 4 19 of A.O 10-81 and Article VI of the DSHS)

D **Security**

The Contractor shall engage the services of a duly licensed security agency to safeguard its offices, equipment and cargoes while under its custody. However, for Contractors with less than 10,000 tons of cargoes handled per month, full time watchmen may be

employed Security personnel shall be deployed in warehouses, transit sheds, open storage areas on a 24-hour basis.

In ports where there are no cargoes stored, the Contractor shall at least engage or designate a watchman to safeguard its personnel, offices and equipment.

IV. FINANCE

A. Capitalization and Working Capital

The minimum amount of capitalization and working capital to be maintained by the Contractor shall be in accordance with the following schedule:

<u>Average Monthly Tonnage</u>		<u>Minimum Capitalization</u>	<u>Working Capital</u>
3,500- 7,000	MTs	₱ 500,000	₱100,000
7,001- 15,000	"	1,000,000	150,000
15,001- 25,000	"	1,500,000	250,000
25,001- 30,000	"	2,000,000	300,000
30,001- 50,000	"	2,500,000	350,000
50,001- 70,000	"	3,000,000	400,000
70,001-100,000	"	3,500,000	500,000

For small size Contractors, the standard minimum capitalization and working capital are as follows:

200 and Below	MTs	₱ 25,000	₱ 6,250
201-	400	55,000	12,500
401-	800	75,000	18,750
801-	1,500	150,000	37,000
1,501-	3,499	250,000	50,000

Capitalization herein referred to shall be the amount invested by the owners/partners or the paid-up capital stock of the corporation. The amount subscribed and paid up capital stock shall be in accordance with law.

Working Capital shall be the amount maintained by the Contractor in a reputable bank to efficiently meet the day to day operational expenses involved for the proper rendition of services.

The amount of capitalization and working capital shall from time to time, be progressively increased in proportion with the recorded increase in the average monthly tonnage handled by the Contractor as prescribed above.

(Ref: PPA Administrative Order No 22-77)

B Performance Bond

The Contractor shall post, within one (1) month after the execution of contract/permit, a performance bond with the GSIS in the amount prescribed in the contract/permit. Said bond shall be renewed within one (1) month upon its expiration and the amount shall be increased accordingly to conform with the relative increase in the Contractor's annual gross revenue of the preceding year as prescribed in Annex 'B' hereto attached.

(Ref: Contract/Permit or Section 9 04 of A.O. 10-81; PPA M.C. 13-89 - GSIS; President's AO No. 33 dated 8/25/87)

C. Bookkeeping and Uniform Chart of Accounts

The following books or equivalent accounting records shall be maintained.

Bills Register
Cash Receipts Book/Register
Cash Disbursement Book/Register
General Journal
General Ledger

These books shall be registered and maintained in accordance with PPA AO 10-81 and MO 14-83 and the rules and regulations of the Bureau of Internal Revenue

The Contractor's transactions shall be recorded adopting PPA's uniform chart of accounts, herein attached as Annex "C," within 20 days following the end of the month.

The income from arrastre, stevedoring, and other services shall be classified into foreign or domestic and classified further into the major types of revenue as arrastre, stevedoring, portorage, special services and other income and shall be recorded separately in the books

The Contractor's financial statements shall be audited at least once a year by an independent certified public accountant. When the volume of transaction does not require a certification by a CPA the financial statements shall be authenticated by the President/Treasurer of the company

(Ref Section 8.01 and 11 01 of A.O 10-81; PPA M O 14-83 dated 4/27/83 - Registration with PPA, PPA M O No 16-85 and PPA M C No. 05-95)

D. Accountable Forms

Bills of Charges, invoices and Official Receipts shall be printed, prenumbered and registered with the Bureau of Internal Revenue. A list of accountable forms and ORs printed shall be submitted to the local PPA Office before use.

All collections shall be receipted, acknowledged and recorded by the Contractor.

Unused bills and official receipts shall be kept intact and properly safeguarded.

(Ref: Section 8.01 and 10.04 of A.O. 10-81; M.O. No 14-83)

E. Authorized Handling Tariff Rates

All cargoes handled, received and placed in the custody of the Contractor shall be billed the corresponding arrastre, stevedoring or other service charge.

Charges shall be in accordance with the prescribed tariff rates approved by the Authority or mutually agreed rates sanctioned by PPA. The Contractor may offer lower but not higher rates to clients, provided that the government share from the cargo handling revenue shall not be prejudiced.

(Ref: Contract or Section 9.01-9.03 of PPA A.O. No. 10-81, and M.O. No. 04-93)

F. Classification and Segregation of Charges/VAT in the Bills/Invoices/ORs

The nature of charges, corresponding rates and VAT shall be specifically indicated in the bill. If the Contractor is under the direct collection system, government share, VAT and other BIR taxes shall be reflected separately in the bills and/or official receipts.

(Ref. Section 8.01 and 10.04 of A.O. 10-81, PPA M O 15-88 dated 5/2/88)