

MAY 15 2023



PHILIPPINE PORTS AUTHORITY



PPA ADMINISTRATIVE ORDER
No. 003 - 2023

TO : All Port Managers
Cargo Handling Operators
Private Port Owners/Operators
Others Concerned

SUBJECT : Amendments to PPA Administrative Order (AO) No. 03-2016 (Port Terminal Management Regulatory Framework (PTMRF)) and PPA AO No. 12-2018 (Guidelines for the Selection and Award of Contract Under the PTMRF)

Pursuant to Board Resolution No. 3212 subsequent to its 515th Regular Board Meeting held on March 28, 2023, pertinent provisions of PPA AO Nos. 03-2016 and 12-2018 are hereby amended to be read, as follows:

A. PPA AO No. 03-2016

xxx.

VI. Specific Policy Guidelines

1. Investment Categories

a. The classification of investment arrangement between PPA and the Contractor shall be further amended, as follows:

	Capital Investment	Tier 1	Tier 2	Tier 3
Physical undersea infrastructure	Capital dredging	PPA	PPA	PPA
	Maintenance dredging	Contractor	PPA	PPA
Physical landside infrastructure	Wharf, piers, land reclamation	Contractor	Contractor	PPA
Above ground semi-fixtures	Quay crane, gantry cranes	Contractor	Contractor	PPA
Above ground fixtures	Passenger Terminal Building, Pavement, Fence	Contractor	Contractor	Contractor
Mobile handling equipment only	Forklifts, trucks	Contractor	Contractor	Contractor
Concession Period		25 years	20 years	15 years

CERTIFIED TRUE COPY

[Signature]
JANET P. CAYONA
Acting Manager

Records and Communications Division, ASD
PHILIPPINE PORTS AUTHORITY

- b. xxx.
- c. The **clustering** of port terminal management at several ports maybe included to ensure commercial viability of the Contractor. **The clustering of ports for bidding shall be within the same PMO and shall take into consideration the complementary ports/terminal sub-ports, as well as volume of vessels, cargoes and passengers.**

2. Competitive Bidding

- "a. Prior to the conduct of the bidding, PPA shall conduct a Master Plan study for each specific port to determine **the following**:
 - 1. The requirements for cargo handling equipment, port facilities and services to achieve minimum performance and productivity targets. **The Master Plan study should include minimum standards for the management and operation of Passenger Terminal Building (PTB), whenever applicable.**

xxx.

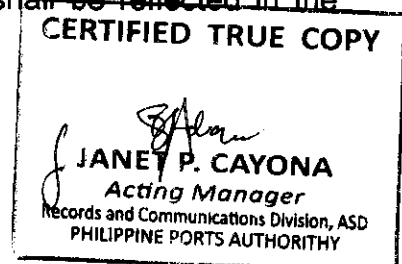
The result of the Master Plan study shall be reflected in the Terms of Reference.

- b. xxx"
- c. PPA shall have monitoring tools to monitor compliance with minimum performance and productivity targets for both Concession Agreements and Management Contracts. If ports are servicing similar types of vessels and cargoes, a standard performance and productivity targets, as well as equipment requirement, shall be observed.
- d. For the conduct of bidding of clustered ports, the PMO shall also conduct a Master Plan study for the port terminals which shall be included in the cluster, considering the minimum performance and productivity targets as well as equipment requirement, for each port of the cluster. Said study shall regard that each port of the cluster shall have a dedicated key personnel, necessary equipment and provision for applicable port services. The result of the Master Plan study shall be reflected in the Terms of Reference."

xxx.

5. Financial Obligations and Liabilities

- "a. In consideration of the rights and privileges granted to the Contractor, the latter shall remit to PPA a periodic concession and/or management



fee and variable fee as specified in the Agreement. Such amount of the concession and/or management fee shall be increased periodically, subject to a pre-established formula to be determined by PPA. **Provided, that any yearly increase in the concession and/or management fee shall not be less than 5.0% increase per year.**

xxx.

B. PPA AO No. 12-2018

xxx.

Article IV. Eligibility

Section 17. Eligibility Requirements

A. Legal Eligibility

Xxx.

"iii. Valid Certificate of Accreditation issued by PPA for port terminal services or for all the core services included in the bidding.

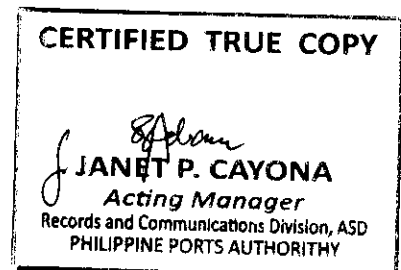
"iv. In case of joint venture, each partner shall submit the Legal and Financial Eligibility forms required under this Section. For purposes of determining compliance with the Technical and Financial Eligibility requirements, the satisfaction by a joint venture partner or by the joint venture partners, whether singly or collectively, of the said requirements shall be considered as sufficient. **For joint ventures intending to participate in the bidding process they shall be required to present a duly executed Joint Venture Agreement (JVA) or a duly notarized statement from all the potential joint venture partners. In the absence of said JVA or duly notarized statement, bids received from each of the potential joint venture partner shall be considered separately.**"

xxx.

B. Technical Eligibility

xxx.

"iv. At least two (2) years' experience in providing port terminal management services/ cargo handling services or other related port services, as indicated in completed and ongoing contracts."



Article V. Bid

Section 18. Submission, Receipt and Opening of Technical and Financial Bids

xxx.

"The first envelope shall contain the following information/documents:

a) xxx.

xxx.

f) The Port Development Plan, which shall contain project specification standards not lower than that prescribed by the Authority. The minimum project specification standards prescribed by the Authority refer to the following (i) Infrastructure Investment and Maintenance Program; and (ii) the Port Productivity Commitments. It shall likewise contain the following:

- i. Traffic Projection and Analysis
- ii. Capital Structure Commitment (supported by Cash Flow projections for the period covered by the Concession Agreement)

xxx.

g) xxx."

"The second envelope shall contain the following information/documents:

a) xxx.

b) Proposed Concession Fee for the Terminal Management operations at the port subject of the bidding process. **Provided, that the proposed concession fee per year shall have a minimum escalation of 5.0% per year.**

xxx."

Article VI. Award

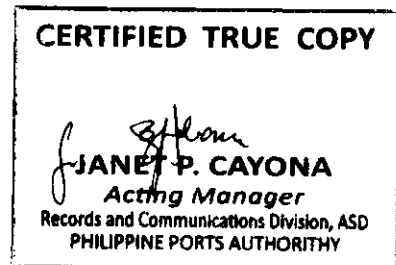
Section 27. Notice of Award and Execution of Contract

xxx.

B. Contract Signing

xxx

"v) In case of failure by the Winning Bidder to observe the periods provided in subsection B. ii) herein, regarding return of the Notice of Award with conforme and return of signed copies of the Port Terminal Management Contract, the



procedures regarding refusal of award or failure to enter into contract under Section 28 shall apply.

C. Performance Security

xxx.

- II) The required amount of the above forms of security shall be equivalent to the total amount of concession fee of the year for which the Performance Security is posted.

The Performance Security shall be denominated in Philippine Peso and posted in favor of PPA, which shall be forfeited by the PPA in any event it is established that the winning bidder is in default in any of its obligations under the Port Terminal Management Contract. In case of forfeiture by PPA of the performance security, the equivalent amount shall be replenished by the winning bidder."

xxx.

All other provisions of PPA AO Nos. 03-2016 and 12-2018 not affected by this Order shall remain valid and in full force.

This Order shall take effect fifteen (15) calendar days after its publication in at least two (2) newspaper of general nationwide circulation and a copy filed with the University of the Philippines Law Center.


JAY DANIEL R. SANTIAGO
General Manager

Published in the Business World and Philippine Star - May 19, 2023

Effectivity Date - June 03, 2023

