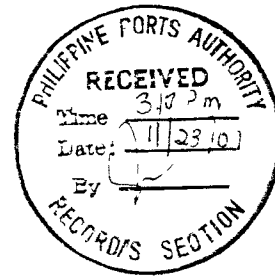


November 22, 2001

**PPA OPERATIONS MEMORANDUM ORDER**No           005           - 2001

T O                   The District Manager, PDO-Manila  
                          The Port Manager, PMO-South Harbor  
                          Asian Terminals Incorporated (ATI)  
                          International Container Terminal Services, Inc (ICTSI)  
                          Association of International Shipping Lines(AISL)  
                          Shipping Companies  
                          Others Concerned

SUBJECT           **Crane Productivity at South Harbor and Manila  
International Container Terminal (MICT)**

PPA MC Nos 04-2001 and 08-2001 were issued to implement the adjustment in the container handling rates at South Harbor and MICT Said circulars also directed the terminal operators and the AISL to agree on a methodology for arriving at a productivity rate formula To ensure, therefore, the proper implementation of the crane productivity rate, the following clarifications, as agreed upon among ATI, ICTSI and AISL, are hereby issued

**1. SCOPE**

This Memorandum Order shall cover the methodology on arriving at crane productivity rate at the South Harbor and MICT

**2. OBJECTIVES**

- 2 1 To properly implement the crane productivity rate committed by ATI and ICTSI,
- 2 2 To identify factors which hamper crane efficiency to be deducted from the productivity calculation, and
- 2 3 To ensure accuracy in the preparation of crane log reports by the contractors

*Opns 1116 01 - DMM - 06*

### 3. CLARIFICATIONS

#### 3.1 Productivity Rate

The adjustment in vessel and cargo charges at South Harbor and MICT was conditioned on a productivity rate of 20 moves per crane hour effective February 1, 2001, to be increased by 10% or at 22 moves per crane hour effective July 1, 2001

#### 3.2 Documentation

The following documentary requirements shall be submitted

3 2 1 A discharge list shall be submitted not later than 12 hours before vessel arrival from foreign port and six hours from any local port. However, minor amendments, if any, shall be accepted by the terminal operator as long as these are submitted in writing before the loading closing time (LCT). In case of late submission, including major amendments, the concerned vessel will be automatically excluded from the productivity requirement and the new tariff effective Feb 1, 2001 will apply.

3 2 2 The stowage plan/loading sequence shall be submitted not later than LCT (three (3) hours before vessel's arrival). In case of delays, the actual time lost shall be deducted from the productivity computation.

3 2 3 The Crane Log Productivity Report (CLPR) accomplished by the terminal operators shall be attached to the bills sent to the shipping lines. This CLPR or the Ship's Working Log (SWL) in the case of ATI, shall be signed by both the terminal operator's and the line's representatives before these are attached to the bills.

3 3 In determining crane productivity, the following shall be considered



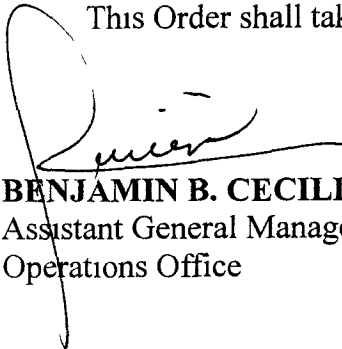
- 3 3 1 In a bay with more than six (6) inverted containers, excluding reefers, the actual time lost for the whole bay shall be deducted from the productivity computation
- 3 3 2 Since damaged cell guides result in low productivity, the actual time lost for the whole cell shall be deducted from the productivity computation unless the terminal operator caused the cell damage
- 3 3 3 Hatch covers are billed as moves which shall be included in the productivity computation For hatch covers not handled by the shore crane i e McGregor type, the actual time lost for opening/closing the hatches shall be deducted from the productivity computation
- 3 3 4 If there is a small number of containers (not more than six) in a hatch, the time spent on them shall be deducted from the productivity computation
- 3 3 5 Vessel's stability is affected during adverse weather condition, i e unable to maintain a level of discharging/loading platform This condition results in a very low productivity The time lost due to vessel stability problem shall be deducted from the productivity calculation, provided, the same is reported to the vessel's authorized officer
- 3 3 6 Actual time lost due to vessel's listing/trimming and defective lashing materials shall be deducted from the productivity computation provided these are reported to the shipping line representative or vessel's command by the terminal operator
- 3 3 7 Time spent for booming up/down per pilot's instruction, meal breaks and other normal commercial practices which adversely affect productivity shall be excluded from the productivity calculation



- 3 3 8 Vessels arriving off-window shall not be included in the productivity commitment of the terminal operators,
- 3 4 All the above-stated deductions from the productivity computation shall be indicated in the crane log productivity report
- 3 5 All billings of the terminal operators to the shipping lines that do not conform to the above conditions shall be adjusted accordingly and if productivity level is not achieved per Item 3 1, the 15% increased rates should not apply
- 3 6 With the above clarifications, crane productivity shall be computed in accordance with the formula as shown in attachment "A"

4. **EFFECTIVITY**

This Order shall take effect February 1, 2001



**BENJAMIN B. CECILIO**  
Assistant General Manager  
Operations Office

**Crane Productivity Formula**

$$\text{Crane Productivity Per Hour} = \frac{\text{Total No of Containers Handled}}{\text{Total Crane Gross Hours}}$$

**Definitions**

Crane Productivity Per Hour - Refers to the total number of container moves per hour which should not be less than 20 effective Feb 16, 2001 and 22 effective July 1, 2001

Total Number of Containers Handled – refers to the total number of containers discharged/loaded from/onto a container vessel

Total Crane Gross Hours – refers to the total number of hours a crane is utilized to complete the discharging/loading of a container vessel excluding the following

- 1 Total number of crane hours spent in a whole bay with six (6) inverted containers,
- 2 Total number of crane hours spent in a whole cell with damaged cell guides,
- 3 Total number of crane hours spent in a hatch with not more than six (6) containers,
- 4 Total crane hours lost in a vessel with stability problem, and
- 5 Time spent for booming up/down, meal breaks and other normal commercial practices which adversely affect productivity, and
- 6 Time lost due to vessel's listing/trimming
- 7 For hatch covers not handled by the shore crane, i e , Mc Gregor type, the actual time lost for opening/closing the hatches shall be deducted from the productivity computation



## Illustration

### Assumptions

- 1 Total containers handled = 80 containers
- 2 Total Crane Gross Hours = 5 hours
- 3 Six (6) inverted containers in a bay of 20 containers (included in above 80 containers)
- 4 Number of crane gross hours = 2 hours (included in the above 5 hours)  
Spent in bay with six (6)  
inverted containers

### Computation

Crane  $\frac{\text{Total No. of ContainerHandled}}{\text{Total Crane Gross Hrs} - \text{Crane Gross Hrs Spent in Bay with Inverted Containers}}$   
Productivity =  
Per Hour

$$\begin{aligned} \text{Crane Productivity} &= \frac{80}{5-2} \\ \text{Per Hour} &= 80/3 \\ &= 26.66 \text{ moves (containers)} \end{aligned}$$

