



Republika ng Pilipinas
PANGASIWAAN NG DAUNGAN NG PILIPINAS
(PHILIPPINE PORTS AUTHORITY)
Mausman Bldg., South Harbor, Port Area
Manila, Philippines



APR 19 1996

PPA ADMINISTRATIVE ORDER
NO. 08 - 96

T O ALL PDOs/PMOs, ANCILLARY SERVICE OPERATORS,
CARGO HANDLING CONTRACTORS, SHIPPING COMPANIES,
CONSIGNEES/SHIPPERS AND OTHERS CONCERNED

SUBJECT : REGULATIONS FOR THE REGISTRATION AND/OR
GRANT OF PERMITS FOR THE OPERATION OF
ANCILLARY SERVICES IN THE PORTS

I. PRELIMINARY PROVISIONS

Section 1. Authority

- 1.1 Section 2 (f), Article II of PD 857
- 1.2 Section 6-a(11), (111), (v), (x), 6-b(xv), Article IV of PD 857
- 1.3 Section 20(a), Article VII of PD 857, as amended by LOI 1005-A
- 1.4 Executive Order No. 159 dated Feb. 23, 1994
- 1.5 Executive Order No. 212 dated Nov. 28, 1994

Section 2. Title - This regulation shall be known and cited as the Port Ancillary Services Regulations (PANSER).

Section 3. Scope - This regulation shall apply to all ancillary services to cargoes, vessels and clients/users transacting business in all government ports under the jurisdiction of the Philippine Ports Authority (PPA), including permits to operate ancillary services in port premises covered by lease contracts.

Section 4. Definition of Ancillary Service - The term ancillary services shall mean those services other than cargo handling, portage services and pilotage services performed inside the port, including its harbors/fairways and extensions, involving provision/application/use of equipment, facility, utility, manpower/expertise, and goods (Annex "A").

II. GUIDELINES

Section 5. Regulation of Ancillary Services. - To effectively regulate and rationalize ancillary services, PPA shall:


- 5.1 Provide ancillary services to port users whether on its own or contracted to private companies;

- 5.2 Encourage the participation of the private sector in the provision of ancillary services;
- 5.3 Maintain continuous provision of needed ancillary services by licensing capable operators who have the necessary financial, operational and managerial capabilities and service contracts;
- 5.4 Ensure freedom of port users to choose who shall provide for them the ancillary service they need from those duly authorized by the Authority;
- 5.5 See to it that ancillary services shall be provided on a non-exclusive basis; and
- 5.6 Ensure that a public bidding is conducted for ancillary services whose contracts have expired.

Section 6. Registration, Approval and Issuance of Contract/Permit.

- 6.1 Filing of Application - Any person, natural or judicial, who is qualified under existing laws to engage in business and existing operators who are not yet holders of PPA permits or those operating on a "holdover capacity" shall apply for a permit to operate ancillary service from the local Port Management Office (PMO) of the Authority where the applicant intends to operate.
- 6.2 Processing of Applications - The following procedures shall govern the processing and issuance of contracts/permits:
 - 6.2.1 All applications for a permit to operate ancillary services shall be filed and processed by the Port Management Office concerned. (Checklist of requirements in Annex "B")
 - 6.2.2 All applications filed or submitted shall be initially evaluated by the Port Management Office, including those applications directly filed at the Port District or Head Office which shall be immediately transmitted to the PMOs concerned. (Evaluation Checklist in Annex "C")
 - 6.2.3 After the initial processing and evaluation by the PMO concerned, applications for one (1) year duration shall be processed and approved by the PMO. Applications for two (2) year contracts/permits shall be forwarded to the District Manager for approval and issuance of said contract or permit. All applications for permits/contracts for three (3) years or above shall be forwarded to the Office of the AGM for Operations/POSD for technical processing/evaluation/

review and its approval shall follow the approved delegation of authority. (PDO Joint Memorandum in Annex "D"; PQSD and CSD Memorandum in Annexes "F" & "G")

- 6.2.4 Authentication of all relevant documents submitted by the applicants must be strictly accomplished by the Port Manager concerned by signing every consecutively numbered document accompanying each application. The PMOs shall specifically authenticate the correctness/veracity of the copy of Ancillary Service Rates as prescribed/ restructured by the Authority or as proposed by the applicant. (Certification Form in Annex "E")
- 6.2.5 Upon effectivity of the approved permits, the PDO/PMO concerned shall monitor the compliance by the contractor/permittee of every term/condition stipulated in the permit and non-compliance thereof shall be subject to appropriate action as provided in existing regulations for this purpose.
- 6.2.6 The PMO shall submit copies of the approved permit to the Port District Office and the AGM for Operations Office as mandated by PPA MC No. 38-88 and MC No.17-90 on the revised delegation of authority.
- 6.2.7 Guidelines on the processing and evaluation of applications for security/watchman services at the ports shall be in accordance with PPA Memorandum Circular No. 16-90 dated 10 April 1990 re: Revised Guidelines on the Supervision of Private Security Agencies Operating Within PPA Jurisdiction.
- 6.2.8 Processing of permits for transportation and freight service operators shall include processing of individual passes for vehicle access based on registration certificates submitted, provided that the necessary police and safety clearance shall have been issued by the appropriate unit of the PMO concerned.
- 6.3 Duration and Renewal of Contract/Permit - Generally, permits issued under this Order shall be valid for a period of one (1) year while contracts shall be valid for 2-3 years or more from the date of approval. To ensure continuity of the service, however, renewal applications shall be filed within thirty (30) days before the expiration of the permit/contract. Failure to file within the prescribed period without justifiable reason constitutes a ground for non-extension of the permit/contract to operate ancillary services in the ports.
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If for valid reasons, the renewal permit has not yet been issued, the applicant shall continue to operate on a hold-over capacity subject to the terms and conditions of the previous permit.

Section 7. Rates and Fees Chargeable by Ancillary Service Operator.- For services rendered by the ancillary service operator, the rates applicable shall be those agreed upon by the parties concerned. In the absence thereof, or in case of conflict, the Authority shall establish the applicable rates.

Section 8. Government Share - For services/businesses rendered inside the port, the following shall be collected:

- 8.1 Port Ancillary Services I - In consideration of the rights and privileges granted the permittee/contractor, he shall remit to the Authority (without prejudice to its right to subsequently impose a direct collection system) not later than the 10th day of each month not less than 10% of the gross income derived from the operation of Ancillary Services listed under Annex "A" Group I.
- 8.2 Port Ancillary Services II- A regulatory fee shall be collected in consideration of the permit to operate granted to a business operator inside the port for ancillary services listed under Annex "A" Group II.
- 8.3 The operator shall submit on a monthly basis to the PMO its gross income earned from ancillary services by submitting its financial statement (without prejudice to PPA undertaking an examination of its books of accounts).

Section 9. - Adjustments of Fees (Increase/Decrease) - The fees prescribed (or those to be prescribed) by the Authority shall not be limited or confined to services mentioned herein and shall not preclude the Authority from collecting fees on other ancillary services not mentioned therein or from increasing the floor rates as it may deem necessary.

Section 10. Responsibility of the Port Manager - The following responsibilities are delegated or assigned to Port Managers of PMOs:

- 10.1 Supervise the operations of ancillary services and enforce the terms and conditions of the permit and initiate necessary corrective measures as he may deem appropriate, including the enforcement of regulations applicable to such services;



- 10.2 Directly undertake projects involving the provision of ancillary services where:
- 10.2.1 the project capitalization is relatively substantial which cannot be provided in due time by the private sector;
 - 10.2.2 direct operation or use of facility and equipment is vital to ensure continuity of service and is necessary in the interest of security and public safety; and
 - 10.2.3 the service needs to be provided due to its urgency to meet strong public demand.

Section 11. Standards For Ancillary Service Operators - As a policy, only qualified applicants shall be authorized by PPA to render ancillary service in the port. The following standards shall be considered:

11.1 Administration

- 11.1.1 holder of a valid PPA contract, permit or license;
- 11.1.2 complies with permit/contract registration requirements of other government agencies;
- 11.1.3 properly organized and managed by experienced officers and personnel;
- 11.1.4 has sufficient capitalization necessary to operate and maintain good service;
- 11.1.5 complies with labor laws, compensation laws and labor relation requirements;
- 11.1.6 complies with the administrative terms and conditions of its PPA permit/contract;
- 11.1.7 undertakes training and skills upgrading of personnel/ workers;
- 11.1.8 renews its PPA permit/contract promptly and before expiration date.

11.2 Operations

- 11.2.1 complies with the operational terms and conditions of its PPA permit/contract;
- 11.2.2 provides efficient, quality service in its field;
- 11.2.3 observes professionalism, good conduct and discipline in the performance of its service;
- 11.2.4 observes safe operating procedures and follows port safety regulations;

- 11.2.5 does not engage in illegal and unauthorized activities in the port;
- 11.2.6 maintains upkeep and cleanliness in its area of operations;
- 11.2.7 provides sufficient equipment/facilities and skilled workers required by the service;
- 11.2.8 undertakes proper equipment maintenance, equipment acquisition and modernization program;
- 11.2.9 observes prompt and reliable service to clients;
- 11.2.10 regularly submits operational/performance reports as required by PPA;
- 11.2.11 ensures that ancillary service performance does not hamper or adversely affect port operations;
- 11.2.12 safeguards and protects port users/facilities in the conduct of its ancillary service;
- 11.2.13 promptly and judiciously acts on claims, losses, damages or complaints from port users/clients;
- 11.2.14 follows port rules and regulations in the rendition of service and supports/cooperates with PPA plans and programs for the port.

11.3 Finance

- 11.3.1 complies with the financial terms and conditions of its PPA permit/contract;
- 11.3.2 has sufficient working/operating capital necessary for good service;
- 11.3.3 follows the PPA authorized or prescribed rates/charges for its ancillary service;
- 11.3.4 maintains financial records and submits reports as required by PPA;
- 11.3.5 promptly remits/pays its prescribed government share.

Section 12. Grounds for Revocation/Cancellation of a Contract/Permit - Contracts/Permits granted may be revoked on any of the following grounds:

- 12.1 Violation of the provisions of PD 857, as amended and rules and regulations promulgated pursuant thereto, including the requirements stipulated in the permit to operate those services,
- 12.2 Engaging in activities other than those authorized in the permit;
- 12.3 Failure to pay the required fees which have become due and which have not been paid for more than three (3) months;

- 12.4 Failure to maintain efficient and effective service;
- 12.5 Misrepresentation of facts or falsification of documents in the original application and supporting documents;
- 12.6 Using the Permit to engage in nefarious, illegal, immoral and vicious activity to further or to conceal its operations.

Section 13. Withdrawal from Business or Suspension of Operations - Whenever an operator decides to stop or suspend its operations inside the port, written notice thereof shall be sent to the Port Manager concerned at least thirty (30) days before the cessation of his operations.

Withdrawal/suspension from business operations shall result in the automatic cancellation of the permit to operate.

The effect of such withdrawal or suspension of operations by the operator shall in each particular instance be determined by the Port Manager, taking into account the reasons thereof and the need for continuity of such service in the port.

Section 14. Penalties - Any person violating the provisions of this Order or any of the rules and regulations promulgated pursuant thereto, including the terms and conditions stipulated in the contract/permit to operate under these services, shall be subject to the administrative fines and penalties under Section 43 of PD 857, as amended by Executive order No. 513 and its implementing regulations.

III. FINAL PROVISIONS

Section 15. Repealing Clause - All PPA Orders, Circulars, rules and regulations which are inconsistent herewith are hereby repealed, amended or modified accordingly.

Section 16. Non-Impairment of Contract Clause - Nothing contained herein shall alter, revoke or impair any contract or permit existing at the time this Order becomes effective.

Section 17. Effectivity - This Order shall, upon approval by the PPA Board of Directors, take effect fifteen (15) days after publication in a newspaper of general circulation.


CARLOS L. AGUSTIN
General Manager

Published in the following newspapers:

1. Philippine Star)
 2. Manila Standard) April 24 & 26, 1996
- Effectivity Date - May 12, 1996

GLOSSARY OF TERMS ON ANCILLARY SERVICES

I. PORT ANCILLARY SERVICES I (10% Government Share)

1. CARGO CHECKING SERVICE - The business of providing services of tallying by marks, countermarks and numbers, quantity, conditions of cargoes, whether in good or bad order and measurements of breakbulk cargoes, performed by duly authorized "Cargo Checkers" other than the cargo handling operator.
2. EQUIPMENT/APPLIANCE HIRE - The business of leasing/providing for cargo handling gears/equipment/appliance to cargo handling operators or to consignees for cargo movement/delivery
3. VESSEL MAINTENANCE/REPAIR SERVICE - The business of undertaking repairs for upkeep of vessels and their cargo gears and equipment.
4. WASTE DISPOSAL SERVICE - The business of providing waste collection services for ships due to garbage, oil/sludge and other kinds of waste
5. OTHER SERVICES - This refers to services which are not listed herein but may be classified by the Authority in future regulations

II. PORT ANCILLARY SERVICES II (Annual Regulatory Fee)

1. BUNKERING - The business of supplying and delivering oil, gasoline, grease, lubricant and other oil products and materials to vessels, ships, tugboats and other seagoing crafts
2. CANTEEN SERVICE - The business of selling food at a fixed area within an office building to serve employees/occupants thereat
3. CARGO SURVEYING SERVICE - The business of providing services by inspecting and determining the condition or extent and appraisal of damage of cargoes for insurance and other related purposes.
4. CHANDLING - The business of supplying food items, groceries, consumables and other provisions to vessels and other sea going crafts docked at the piers, wharves or anchorage
5. CLEANING SERVICE - The business of providing cleaning services for passenger, bulk, oil and other types of vessels at berth or at anchorage
6. CONTAINER REPAIR - The business of undertaking repairs on containers within the port premises
7. COMMUNICATION SERVICE - The business of providing communications services to port users by means of telephone and/or telegrams/letters within the port premises

8. FUMIGATION - The business of disinfecting containers or ship's various compartments with the objective of ridding vans/vessels of pests
9. LAUNDERING - The business of providing laundry services like washing linens, curtains and similar items used in the vessel and clothing apparel of the vessel's crew.
10. LIGHTERAGE/BARGING SERVICE - The business of loading, unloading or transportation of goods by means of lighters or barges.
11. PARKING/GARAGE SERVICES - The business of providing ample spaces for purposes of vehicles working for the general public area.
12. REPRODUCTION SERVICE - The business of providing copying services for documents.
13. SECURITY SERVICE - The business of providing security, protection and safety to cargoes on board vessels at berth or anchorage or at a warehouse, building or other areas within the port.
14. SHOPS/STORES- The business of putting shops and stores within the port zone which includes sari-sari store, souvenir/curio/ shops, bookstore, newsstand, drugstore, and similar services
15. TRANSPORT SERVICE - The business of providing trucks and other vehicles for delivery of cargoes/passengers.
16. TOWING/TUGGING SERVICE - The business of pulling or pushing a vessel with the help of a watercraft
17. WATER SUPPLIERS - The business of supplying fresh water to vessels, ships and other sea going crafts docked at the piers, wharves and anchorage
18. WATER TAXI - The business of ferrying ship's crew/agents/provisions and passengers to and from a vessel at berth or anchorage by means of a small vessel or craft
19. WEIGHBRIDGE/TRUCK SCALE - The business of weighing cargoes on any truck or other delivery equipment for the purpose of determining appropriate charges based on cargo weight.
20. OTHER SERVICES - Refers to services which are not listed herein but may be classified by the Authority in future regulations.

**CHECKLIST OF REQUIREMENTS FOR ANCILLARY SERVICES
CONTRACT/PERMIT APPLICATION TO OPERATE
AT GOVERNMENT PORTS**

FOR NEW APPLICANT	FOR RENEWAL APPLICANT
ARTICLES OF INCORPORATION/COOPERATION/ PARTNERSHIP, BY-LAWS AND REGISTRATION WITH SEC OR CDA	AMENDED ARTICLES OF INCORPORATION/ BY LAWS OF CORPORATION/COOPERATIVE/ PARTNERSHIP
REGISTRATION WITH BIR, SSS, ECC, BDT BUSINESS(MAYOR'S PERMIT), VAT REGISTRATION CERTIFICATE AND CERTIFICATION FROM CONCERNED GOVERNMENT AGENCY THAT SAID APPLICANT HAS THE TECHNICAL CAPABILITY TO OPERATE SAID SERVICES(e.g. oil recycler, waste collection, etc.)	SSS OFFICIAL RECEIPT OR SPECIAL BANK RECEIPT WITH SSS FORM R-3 AND ANNUAL CERTIFICATION FROM CONCERNED GOVERNMENT AGENCY
LIST OF EXISTING EQUIPMENT/GEARS, AND PROCUREMENT PROGRAM FOR ADDITIONAL EQUIPMENT/ GEARS	LATEST INVENTORY AND PROCUREMENT PROGRAM OF ANCILLARY SERVICE EQUIPMENT/GEARS AND EXISTING ANCILLARY RATE
LIST OF PERSONNEL AND WORKERS WITH CORRESPONDING RATES OF SALARIES/WAGES AND SSS NUMBERS	ANNUAL GOVERNMENT SHARE/REGULATORY FEE REMITTED FOR THE LAST THREE YEARS BASED ON PPA AUDIT
COMPANY/COOPERATIVE BOARD'S RESOLUTION OR PARTNERSHIP AUTHORIZATION OF SIGNATORY TO ANCILLARY SERVICES CONTRACT/PERMIT	AUDITED FINANCIAL STATEMENTS FOR THE PAST THREE YEARS
SPECIFIC AREA OF OPERATIONS WITHIN PORT FACILITY (WITH SKETCH)	COMPANY/COOPERATIVE BOARD'S RESOLUTION OR PARTNERSHIP AUTHORIZATION/SIGNATORY TO ANCILLARY SERVICES PERMIT/CONTRACT
PROPOSED ANCILLARY RATE	SPECIFIC AREA OF OPERATIONS WITHIN PORT FACILITY (WITH SKETCH)
NOTE: THESE REQUIREMENTS SHALL BE ACCOMPANIED BY A LETTER-APPLICATION FROM THE APPLICANT-OPERATOR TO BE SUBMITTED TO THE PHILIPPINE PORTS AUTHORITY THROUGH THE PORT MANAGEMENT OFFICE CONCERNED.	

EVALUATION CHECKLIST FOR APPLICATION FOR ANCILLARY SERVICES CONTRACT/PERMIT

		A C T I O N		T A K E N	
		APPLICANT	P M O	P D O	H. O.
1. REQUIREMENTS FROM NEW APPLICANT					
1.1	Articles of Incorporation/Cooperative or Partnership, By-Laws and Registration with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority				
1.2	Registration with BIR, SSS, ECC, BDT and Business Permit (Mayor's permit)/VAT Registration Certificates				
1.3	List of Personnel and Workers with corresponding Rates of Salaries/wages and SSS number				
1.4	Company's/Partnership's board action/resolution authorizing an officer to sign the Ancillary Service Contract/Permit				
1.5	Proposed Ancillary Rates				
1.6	Certification from other Government Agencies that said applicant is Authorized to render such services, e.g. waste collection, oil recycler, etc.				
1.7	List of Equipments, Gears, Safety equipments and specific area of operation(with sketch)				
2. REQUIREMENTS FROM APPLICANTS FOR RENEWAL					
2.1	Amended Articles of Incorporation/Cooperative or Partnership By-Laws				
2.2	Remittances with SSS and MEDICARE and list of employees covered during the preceding year and Mayor's permit.				
2.3	Annual Government Share/Regulatory Fee Remitted to the PMO for the past 3 years.				
2.4	Certified Financial Statements for the past 3 years				
2.5	Company's/Cooperative Board Resolution Authorizing an Officer to Sign the Ancillary Services Permit/Contract				
2.6	Annual Certification from concerned Government Agencies				
2.7	Existing Ancillary Service Rate				
2.8	Latest Inventory of Ancillary Service Equipment/Gears, Safety equipment and specific area of Operation within the Port Facility(with sketch)				

CODE ON ACTION TAKEN:

S = SUBMITTED

E = EVALUATED/VERIFIED

R = RECOMMENDED

		ACTION TAKEN			
		APPLICANT	P H O	P D O	H.O.
3. REQUIREMENTS FROM PMO					
3.1	Certification of Port Manager				
3.2	Certification of Finance Officer				
3.3	Schedule of Approved Ancillary Services Rate				
3.4	Previous PPA Contract/Permit				
3.5	Result of Audit Conducted on Operations of Renewal Applicant-Operator				
3.6	Evaluation Checklist				
3.7	Result of Public Hearing (for contract application)				
4. REQUIREMENTS FROM PDO					
4.1	Joint Memorandum				
4.2	Proposed Ancillary Services Contract/Permit				
EVALUATED BY: _____ (PSD Manager/Designated Officer)		Date: _____			
SPECIFIC RECOMMENDATION: _____					
RECOMMENDED BY: _____ (PORT MANAGER)		Date: _____			
PDO: _____					
EVALUATED BY: _____ (Manager TSD)		Date: _____			
_____ (District Attorney)		Date: _____			
SPECIFIC RECOMMENDATION: _____					
RECOMMENDED BY: _____ (District Manager)		Date: _____			
HEAD OFFICE:					
POSD					
EVALUATED BY: _____		Date: _____			
CHECKED BY: _____ (Manager, M S D)		Date: _____			
CSD					
EVALUATED BY: _____		Date: _____			
CHECKED BY: _____ (Manager, B D D)		Date: _____			

PDO JOINT MEMORANDUM
PDO

F O R : The General Manager, PPA
Attention : The AGM for Operations

SUBJECT : _____

Applicant-Operator: _____
Area of Operations: _____
Type/s of Service : _____
Proposed Duration : _____

SUMMARY:

OPERATIONAL:
COMMENTS :

LEGAL :
Comments :

RECOMMENDING APPROVAL:

(Technical Services Division)

(District Attorney)

(District Manager)

Date :

PHILIPPINE PORTS AUTHORITY
PMO
Office of the Port Manager

(Date)

C E R T I F I C A T I O N

This OFFICE hereby certifies that it has evaluated the application to render _____ service/s of the applicant-operator named _____ for the Port of _____. The applicant has substantially complied with the requirements of PPA Administrative Order No. 08-96, and other pertinent PPA rules and regulations.

This OFFICE further certifies that:

1. An ocular inspection of the applicant's equipment/gear and facilities was conducted and found the same sufficient for the service/s to be rendered;
2. The relevant documents hereto attached were evaluated and consequently numbered; and
3. Each page of the documents has been duly signed over the printed name of the processor/evaluator.

Port Manager

**POSD
MEMORANDUM**

F O R : The General Manager, PPA

T H R U : The AGM for Operations

SUBJECT : _____

Applicant-Operator: _____
Area of Operations: _____
Type/s of Service : _____
Proposed Duration : _____

SUMMARY:

OPERATIONAL: Comments:

Recommendation:

(Manager, Marine Services Division)

(Manager, P O S D)

Date :

**C S D
MEMORANDUM**

F O R : The General Manager, PPA

T H R U : The AGM for Operations

SUBJECT : _____

Applicant-Operator: _____
Area of Operations: _____
Type/s of Service : _____
Proposed Duration : _____

SUMMARY:

OPERATIONAL: Comments:

Recommendation:

(Manager, _____ Division)

(Manager, C S D)

Date :