

The Philippine Ports Authority

COMPENDIUM OF REGULATIONS ON CARGO HANDLING OPERATIONS

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APR 12 2006

PPA ADMINISTRATIVE ORDER
NO. 01 - 2006

T O : District Managers, Port Managers, Department Managers
Cargo Handling Operators and Others Concerned

SUBJECT : ***Compendium of Regulations on Cargo Handling Operations***

These regulations shall be known as the "***Compendium of Regulations on Cargo Handling Operations***".

ARTICLE I

PRELIMINARY PROVISIONS

1. ***Authority***.

   a) Sections 6-a (ii), (iii) and (v), 6-b (vi) and 43 of P.D. 857, as amended.

   b) Letter of Instruction No. 1005-A

   c) PPA Board Resolution No. 2057 dated 28 March 2006

   d) COA Decision No.1222 dated January 26, 1990

2. ***Purpose and General Coverage***.

   This Order is promulgated for the purpose of codifying and updating of cargo handling (CH) rules and regulations into a single, comprehensive set of rules on CH operations in all ports under the jurisdiction, supervision and regulation of the Authority.

3. ***Policy Statement***.

   a) The Authority shall provide CH services in all ports whether on its own, by contract or otherwise pursuant to the mandate of Presidential Decree No. 857, as amended.

   b) The participation of the private sector in the management and operations of such services is encouraged.

   c) The privatization of the management and operations of CH services in all ports under its jurisdiction shall be awarded to duly-organized Filipino domestic companies or enterprises through competitive public bidding except when the existing CH Operator:

1) Has performance rating of at least "Very Satisfactory" upon audit and confirmed by the Office of the Assistant General Manager (AGM) for Operations;

2) Does not have any outstanding obligations to the Authority, to labor or to port users; and

3) Commits to invest in capital whether in equipment or development of port facilities or other investments of the like.

Their permits or contracts shall be renewed under terms and conditions mutually agreed upon.

Provided that, for purposes of this policy, a CH Operator with expired contract but with good standing performance in any port/s within the jurisdiction of the Authority as certified by the Office of the AGM for Operations (OAGMO), and who continue to remit the privilege/government share to the Authority is considered an existing CH Operator.

d) No business companies or enterprises shall perform work as a stevedore or arrastre contractor within the premises of the Authority unless in possession of a permit or contract duly issued by the Authority.

e) The Authority through its authorized representative/s shall have visitorial powers over all ports, whether private or public, in the exercise of its authority.

4. *Objectives*.

a) To ensure the provision of efficient CH services in all ports to the satisfaction of port users in particular and the public in general.

b) To encourage authorized CH Operators to invest in the CH industry and provide quality services.

c) To provide the standard requirements and procedures in the award of CH Contract or Permit to Operate either through competitive public bidding, comparative evaluation or renewal to deserving CH Operators.

d) To provide a ready and comprehensive reference on CH regulations to all port users.

5. *Definition of Terms*.

For purposes of this regulation, the terms or words used herein shall mean or be understood to mean as follows:

Apron – the area between the transit shed and quay-wall that is used for working cargo.

Authority - the Philippine Ports Authority (PPA) created under Presidential Decree No. 857, as amended.

Authorized Tariff – the tariff and fees for particular services duly approved by the General Manager or the Board as the case may be.

BAC - the Bids and Awards Committee established in accordance with this Order.

Bad Order Cargo - cargo that is physically damaged or which sustains injury.

Bid - a signed offer or proposal to undertake a contract submitted by a bidder in response to and in compliance with the requirements of the bidding documents. The term "Bid" can be equivalent to and be used interchangeably with "Proposal" and "Tender".

Bidder - an eligible CH Operator competing for the award of a contract for CH services in a port. A CH Operator is said to be eligible if it meets all the eligibility requirements issued by the Authority.

Bidding Documents - the documents issued by the Authority as the bases for bids, furnishing all information necessary for a prospective bidder to prepare a bid for CH services required by the Authority.

Bill of Lading – means the written contract of carriage of goods whereby the common carrier for a consideration agrees to deliver on behalf of the consignor of goods to the consignee at a specific time.

Bulk Cargoes – term used to describe cargoes carried in bulk, not packaged in separate units. Loose coal, sugar, oil and ores are examples of bulk cargoes.

Cargoes – the load of a vessel; or goods and merchandise put on board a ship to be carried to a certain port.

Cargo Handling (CH) Operator - any individual, partnership or corporation recognized by the Authority to provide CH services at government ports.

Chassis – equipment used to carry containers from one place to another through towing by prime movers or tractors as an extension of ship's gear unless declared as an importation.

Checking Services –services of tallying marks, countermarks and numbers, quantity, conditions of cargoes, whether in good or bad order and measurements of breakbulk or bulk cargoes, containers, performed by duly authorized "Cargo Checkers".

Consignee – the party to whom cargo is to be delivered per documents.

Container – a metal unit for carrying cargoes. It is generally fitted with logs or brackets at each corner for hooking on heavy wires for lifting, for easy transfer from one form of transport to another. The standard sizes are 10 X 8 ft., 20 ft. X 8 ft., 40 ft. X 8 ft., 45 ft. X 8 ft.

Container Freight Station – a shed adjacent to the container yard used for sorting, stuffing, stripping and temporary storage of containerized cargo both for import and export.

Container Tally Sheet – cargo receipt issued by the ship's checker or agent and acknowledged by the arrastre's checker as evidence of receipt of containers. It indicates the physical condition of the containers.

Container Yard – designated area in a container terminal usually adjacent to the marshalling yard where containers and chassis are received stacked and dispatched.

Corrosives – substances, which, by chemical action, will cause severe damage when in contact with living tissue, or in the case of leakage, will materially damage or even destroy freight or the means of transport.

Dangerous cargoes – substances, materials and articles covered by the International Maritime Dangerous Goods (IMDG) Code and/or those which on account of their nature cannot be stored in general cargo space nor handled at the same time as innocuous cargoes as they may expose people and property to harm or destruction by fire, explosion, poison or other dangers of the like.

Dockwork - all or any part of the work, or those duties associated with the work performed on shore or onboard a vessel/ship, of loading and discharging to/from a vessel whether engaged in maritime or inland port, harbor, dock, wharf, quay or similar place which such work is carried out.

Dockworker – a person who works on shore and on board vessel.

Dunnage – loose packing or any bulky material put around or under cargo for protection to prevent it from moving or being damaged.

Equipment Hire – the business of leasing or providing CH gears, equipment and appliance for cargo movement or delivery.

Full Container Load (FCL) – a container loaded with cargoes belonging to a single consignee and/or covered by only one Bill of Lading and meant for door-to-door delivery.

Gang – a group of cargo workers employed to work on board a ship or ashore for loading and unloading of cargoes to or from the ship or vice-versa.

General Cargoes – also referred to as breakbulk cargoes, are those that are listed in a number of bills of lading each consisting of different commodities. These shall include, but not be limited to bagged cargoes, crates, cylinders, cases, baskets, bales, rolls, drums and such other like or similar types of packing, including vehicles, live animals, created or uncreated fowls such as chickens, ducks and the like and other loose cargoes.

Gross Gang Hour – the total number of hours actually spent by gangs in discharging and loading cargo, including the gang's idle time.

Heavy Lift Cargo - refers to a very large and heavy single unit cargo, usually large heavy equipment the minimum weight of which is five thousand (5,000) kilograms five (5) tons and which is usually discharged or loaded by a heavy lifting derrick, crane or boom, like locomotives, bulldozers, graders, payloaders, transit mixers and the like.

Large machineries (e.g. boilers, generators, etc.) and other heavy and large equipment, part or parts thereof shall likewise be treated and considered as heavy lift, provided, that the single unit of such machinery part or component weight at least five (5) tons. Steel products, whether these are hot/cold steel rolls/coils, billets, etc. although weighing five (5) tons, shall be treated as iron and steel products, with the corresponding CH charges imposed therefore marble slabs/boulders weighing at least five (5) tons a piece shall not be treated as heavy lift.

Hold – a general name for the space below deck, designated for the stowage of cargo.

Infectious Substances – substances that are capable of spreading germs, thus are contagious to man or animals.

Inflammable Liquid – any liquid that gives off inflammable vapors at temperatures of not more than 60.5°c close cup or not more than 65.5°c open cup test.

Inflammable Solids – solids that under conditions encountered in transport are readily combustible, or may cause or contribute to fire through friction.

Less Container Load (LCL) – a container loaded with cargoes belonging to two or more shippers or consignees.

Manifest (Cargo and Passenger) – a document containing a listing of commodity items and/or passengers carried by a vessel. The manifest is one of the requirements for clearance/entrance of a vessel.

Marshalling Yard - a designated open storage area within the container terminal where containers are stacked systematically in preparation for loading/unloading to/from a container vessel.

Net Gang Hour – the total number of hours actually spent by gangs in discharging and loading cargo, excluding the gang's idle time.

Other Related Services - services within the port area, which cannot be categorized as arrastre and/or stevedoring services but are considered incidental to or complementary to these two (2) major services.

Pallet – a portable platform or deck generally about 6 ft. x 4 ft on which goods can be attached to form a unit load which can be transported usually by a mechanical appliance such as forklift trucks. Pallet usually stands on bearer with a clearance of several inches bearing a space into which forklift can penetrate for lifting purposes.

Port – a place where ships may anchor or tie up for the purpose of shelter, repair, loading or discharge of cargo, or for other such activities connected with water-borne commerce and including all the land and water areas and the structures, equipment and facilities related to these functions.

Portworkers - regular workers and employees who are in good standing and included in the official list of workers' roster of the CH Operator.

Portworkers' Retirement and Separation Fund (PRSF) – the amount of money set aside by the CH Operator and deposited in trust with an authorized bank/s sufficient to finance the retirement and involuntary separation benefits of individual portworkers who retire or have been retrenched from the service or a program for the same purpose secured thru an accredited service provider.

Port Users - the bodies, organizations or persons, whose business transactions are directly related with the port.

Porterage service - the carriage by manual handling and or with the use of wheeled equipment like pushcarts of passenger's, pieces of baggage, luggage and personal belongings to from the passenger's point of embarkation or disembarkation to from the entrance or exit gates of the port premises.

Porterage Fee – is the payment for the services rendered by a porter and covers the carriage of personal baggage, with or without the use of pushcarts, to/from the passenger's point of embarkation or disembarkation to or from the entrance or exit gate of the port premises.

PRSF Service Provider – a private legal entity or agency with a good standing in the pension, insurance and pre-need industry, accredited by the Authority to provide and maintain an actuarially sound retirement and separation benefits program for portworkers.

Renewal of CH Contract - a process by which existing CH Operators with, at least "Very Satisfactory" performance rating, as confirmed by the Office of the AGM for Operations, shall be given renewed contracts subject to the requirements provided in Article V of this Order only but not limited to application, submission of acceptable Business Plan, performance and financial evaluation, among others.

Roll-On-Roll-Off (RO-RO) Transport - a mode of marine transport in which the cargo comprises a series of units, each capable of being loaded into and unloaded from the ship by essentially horizontal movements through the use of a ship or shore-based ramp, every unit being moved on its own wheels, or by a temporary mobile system, which may or may not be carried with the unit on the ship for use at both ends of the voyage.

RO-RO Vessel - a vessel having the capacity to permit the horizontal mode of transferring cargoes from the pier or wharf to the vessel or vice versa with the use of a ship or shore-based ramps over the side, at the bow or at the stern of the ship.

RO-RO Cargo - a unitized cargo capable of being loaded into or unloaded from a RO-RO vessel, using its own wheels and motive power.

Separation Benefit - the benefit of portworkers who were retrenched or whose services were terminated due to change in CH Operator. The separation benefits which are payable by the outgoing CH Operator shall be for the following causes arising from the involuntary resignation by reasons of:

1) Redundancy;

2) Retrenchment;

3) Mechanization, automation and modernization of CH equipment;

4) Incapacitation (same as disability or contagious disease) or death; and

5) Takeover of the CH operations by the Authority.

Service time – the number of hours spent by the vessel at berth or at anchorage. It is the difference between the time the vessel arrived at and departed from berth or anchorage.

Stand-By Time – shall mean to be the time when workers are engaged to work but cannot work, and shall be limited to the following reasons:

1) Inclement weather that causes the stoppage or operations.

2) Breakdown of vessel's CH gear or equipment.

3) Waiting for cargo/(barge for shipside operations).

4) Men engaged but not put to work.

Any stand-by or temporary stoppage of CH work not within the above enumeration may be subject to stand-by charges provided the cause or causes of such temporary stoppage is/are beyond the control and not through the fault or negligence of the CH Operator, and provided further that proper clearance and the approval of the stoppage was granted by the Authority. The shipping company/agent shall be liable for stand-by time charges.

Storage Charge – is the amount assessed on articles, baggage and containers for storage in the port premises, cargo shed and warehouses of the government.

Stowing – the positioning of packages, containers, portable tanks, bulk packaging vehicles, shipborne barges, other cargo transport units and bulk cargoes on board ships, in warehouses, sheds or other areas.

Stripping – unloading of goods from a container.

Stuffing – loading of goods into a container.

Tonne – shall mean one thousand (1,000) kilograms.

Tonne Per Gross Gang-Hour – average number of tonnes handled by an arrastre gang in one (1) hour inclusive of idle time.

Tramping – sea trade which is not confined to any particular route or harbors but which operates to all or any ports of the world.

Trimming – balancing of a ship by shifting cargo, etc.

Twist Locks – locking pins or chassis and truck body twist locks, which rotate through container corner castings so as to secure the container to the chassis or truck body.

Warehouse –a building or shed used for the storage of cargo.

Wharf – a continuous structure built parallel to or along margin of the sea or alongside riverbanks, canals or waterways where vessels may lie alongside to receive or discharge cargo, embark or disembark passengers or lie at rest.

ARTICLE II

MANAGEMENT AND OPERATIONS OF CARGO HANDLING SERVICES

6. ***Control and Supervision over CH Operations***.

The Authority shall have the direct control and supervision of all CH operations and other related services being performed by authorized CH Operators within the port zone. The CH Operators shall, upon notice by the Authority, submit to an audit/evaluation of its CH operations and shall upon proper consultation with the Authority, effect the necessary changes or improvements based on the results of the audit/evaluation within a prescribed period.

Internal Control Audit Reports

a) The OAGMO shall be provided with copies of Internal Control Audit Reports on the performance review conducted on CH Operators.

b) The Audit Reports based on the proper application of the "Performance Standards and Rating System (PSRS) for Cargo Handling Contractors" which is made part of this Order as reference, shall be used in the evaluation of the CH Operator's efficiency and compliance with PPA rules and regulations.

7. ***Rules and Regulations; Appeal***. - The CH Operator shall at all times comply with and abide by all rules and regulations of the Authority now existing and those which may from time to time hereafter be made, adopted or promulgated by the Authority. However, in case the CH Operator shall take exception as to the reasonableness of any future rules or regulations of the Authority, the CH Operator shall have the right to appeal to the Board of Directors of the Authority for a review of the rules and regulations excepted to.

8. ***Scope of Services that the CH Operator may Provide***.

a) Arrastre and stevedoring.

b) Container handling.

c) Porterage services.

d) Other related services.

1) Checking services.

2) Shifting or restowing of cargoes within the same hatch.

3) Shifting of cargoes from one hatch to another or from a hold to dock/pier or barge and vice-versa.

4) Shifting of cargoes from ship to pier and vice-versa or from one hatch to another hatch.

5) Bagging/ rebagging.

6) Issuance of short or over landed certificate.

7) Extra labor.

8) Checkers services.

9) Standby.

10) Line handling.

11) Equipment hire.

12) Extra hustling.

13) Extra piling.

9. ***Arrastre Service.*** – Shore-based CH activities that include the following:

a) Receive and load cargoes from and to ship's tackle with the use of dock (arrastre) gang and CH gears and equipment.

b) Check cargo by marks and quantity, acknowledge and sign tally sheet.

c) Sort and initially pile cargo in the sheds or open storage or warehouse located inside the port prior to delivery or loading to vessel, if not taken from or delivered on direct to truck.

d) Check and recoup bad order and damaged cargoes if damage is caused by the CH Operator.

e) Deliver or transfer cargo onto or receive from truck's tail of consignee or shipper's transportation or ships' tackle.

f) Secure cargo from pilferage or losses while under CH Operator's custody.

g) Provide manpower, equipment and such other necessary CH gears for receiving, stowing, delivery, transfer, shifting and palletizing of cargo.

h) Provide checking services only when cargo is unloaded or loaded at shipside, to and from barges alongside vessels.

10. ***Stevedoring Service.*** – Work performed on board vessel, that is, the process or act of loading and unloading cargo, stowing inside hatches, compartments and on deck or open cargo spaces on board vessel.

a) **Other services included in stevedoring.**

1) Rigging and unrigging of ship's gear.

2) Opening and closing of hatches.

3) Snatching, centering to the hatch opening, passing of cargo and trimming.

4) Provision of standard stevedoring gears and equipment as required by the cargo type.

b) **Related Stevedoring Services which are Considered Extra Services and therefore Chargeable under Extra Labor Services are:**

1) Cleaning holds.

2) Shifting of cargoes.

3) Dunnage provision.

4) Building bulkheads.

5) Shoring or unshoring of cargoes.

6) Lashing/unlashing of cargoes.

7) Breaking of hardened cargoes.

8) Re-bagging and sweeping of cargoes.

9) Stuffing or unstuffing or stripping of containers on board vessel.

10) Recouping of bad order cargo

11. ***General Guides on Arrastre and Stevedoring Operations.***

a) **Vessels to be Ready for Work with Dispatch.**

1) After mooring or berthing alongside a pier or wharf, every vessel shall have all its working hatches ready to commence working cargo.

2) Adequate lights shall be provided in parts of a vessel where work is going on alongside any pier or wharf operated and or managed by the Authority

or CH Operator, in order to prevent injury or accident to life, limb or property which may result from such work.

3) Every vessel shall discharge or load its cargo with reasonable dispatch and, where it occupies a berth that is required shortly by another vessel, the former vessel shall be worked continuously including night and overtime hours, as may be required by the Authority.

4) If a vessel fails or is unable to undertake such dispatch or work such night and overtime hours as required by the Authority, said vessel may be ordered by the Authority to vacate the berth it occupies and the Master shall forthwith comply with the order.

5) A vessel that is required to vacate a berth pursuant to the Authority's order in preceding paragraph will be reberthed at a place solely at the discretion of the Authority.

6) The Authority or CH Operator shall not be responsible for the detention or delay of any vessel nor the delay in the discharging or loading of its cargo due to any cause beyond its control, and in any case shall not be responsible for loss of dispatch earnings or payment of vessel demurrage charges under any charter party agreement between the shipper and the vessel owner, operator or representative agent.

7) All expenses incurred by the vessel in complying with any of the Authority's order under this section shall be borne by said vessel.

8) The Master or agent of any vessel shall present to the Authority and the CH Operator any book or document which may be required in connection with the landing, shipping or delivery of each cargo and or embarkation or disembarkation of its passenger or crew.

b) <u>Line Handling (Making Fast and Letting-go Lines or Mooring and Unmooring).</u>

1) The PPA authorized CH Operator shall be responsible for providing the line handling service to vessels berthing in their respective areas of operation.

   (a) In no case shall the linemen be allowed by their employer to perform their job without wearing their hard hats and gloves. Linemen shall likewise be instructed to be on the look out for the mooring guide thrown from vessel to dock during mooring activity.

   (b) The CH Operator shall be responsible in giving instructions to linemen on the safe and proper tying of lines of vessels.

   (c) Springs, stern ropes and other handling lines of vessels shall be properly hooked to the bollards or any securing device on dock during line handling operation and shall be released/cast off freely to the water when letting-go the lines. Linemen shall ensure that the lines

do not rest or touch the surrounding fenders and protruding structures alongside berthing areas during the said operation.

2) The service of securing or releasing vessel's mooring lines shall not be subcontracted by the cargo handler to a third party.

3) The CH Operator shall see to it that during the line handling activities, workers, port personnel, pedestrians and passengers except the linemen shall keep a safe distance from the docking or undocking area. Likewise, the designated area shall be cleared of all equipment or any obstructions at least ten (10) minutes prior to the vessel's scheduled arrival.

c) <u>List of Inward Cargo</u>.

1) The Master or agent of every incoming vessel, domestic or foreign, shall sign and furnish the Office of the Authority and the CH Operator at the port concerned preferably twenty-four (24) but not less than eight (8) hours before the arrival of the vessel, one (1) copy of Inward Cargo Manifest (ICM) in the English language containing all particulars as to:

   (a) the gross weight, measurement, marks, numbers and contents of each package or consignment, including the origin of the cargo; and

   (b) the names of consignees per Bill of Lading or the names of the persons actually paying the freight and their respective addresses.

2) The Authority may refuse berth allocation to a vessel due to failure to comply with the above requirements.

3) A certified statement of any amendment or alteration, if authorized by applicable law and regulations, made in the ICM by reason of the re-measurement or recounting or re-description of the breakbulk goods included therein or otherwise, shall also be furnished to the Authority immediately after completion of discharge of the cargo or goods.

4) Any amendment or alteration to the original Inward Foreign Manifest of containerized liner shall be submitted within twenty-four (24) hours from arrival of the vessel.

d) <u>Receipt of Cargo</u>.

1) No cargo shall be brought in or laid on any pier or wharf before the vessel is ready to receive them or shall be placed on any storage area or roadway without the permission of the CH Operator.

2) Whenever any cargo owner or shipper delivers unto the custody of the CH Operator his merchandize for outbound loading, the CH Operator shall accept the delivery of such merchandise even in cases of delayed arrival of the carrying vessel subject to control and approval of the Port Manager concerned or his authorized representative and shall issue the necessary receipts evidencing the delivery thereof.

3) The Master or agent of every outgoing vessel, domestic or foreign, shall prepare in the English language, sign and submit within twelve to twenty-four (12-24) hours before the departure of the vessels, an accurate copy of the Outward Cargo Manifest (OCM) of all goods on said vessel containing all particulars as to:

   (a) Gross weight, measurement, marks, numbers and contents of cash package or consignment, including the final destination thereof.

   (b) The names of the shippers and their addresses per Bill of Lading.

4) Any receipt issued by the CH Operator for any cargo received or entrusted in its custody shall indicate as far as practicable, the actual contents and weight thereof on the basis of the covering documents furnished by the shipper, consignee or owner of the cargo.

5) No cargo shall be shipped by the CH Operator unless a clean receipt and/or Bill of Lading, which shall be delivered before the vessel leaves its berth, is submitted by the ship or its agent.

   (a) Tally Sheets as Immediate Receipt of Cargo - The CH Operator, thru its authorized representative, shall deliver unto the master or agent of a vessel signed copies of the cargo tally sheets to be plainly printed as "cargo receipt" to show the total number of package by marks and numbers actually received whenever such marks and numbers are present and legible.

   (b) Tally Sheets for Cargo Vans – The CH Operator shall give a clean tally sheet for cargo vans received by it in good order and condition with locks and seals intact. Cargo in vans with locks and seals broken shall be treated as "Bad Order Cargo" to be surveyed in accordance with Article II, 11-h) hereof and resealed.

   (c) Receipt, Storage and Security of Mails – Upon the issuance of proper receipt, the CH Operator agrees to receive, store and guard mails discharged from vessel pending delivery to the Post Office.

e) Shipside and Direct Deliveries. - The Master or agent of a vessel shall submit to the Authority lists of all inward and outward deliveries shipside (overside) and all direct deliveries shipments to and from the wharf or pier in such details and at such times as the Authority may require.

1) Domestic cargo shall be released by the Authority and/or CH Operator from its transit sheds or warehouses only upon presentation of the corresponding Bills of lading or Delivery Orders duly endorsed by the agents of the carrying vessel, and after payment of lawful charges collectible therefrom.

2) Import and export cargoes shall be released, transferred or loaded on board the vessel only after payment of lawful revenues collectible by the Bureau of Customs (BOC) and upon presentation of required release,

transfer and loading orders or documents and also after payment of charges or fees collectible by the Authority.

The Authority and/or CH Operator shall release or cause the release of cargo by marks and shall not sort or cause its sorting by numbers and submarks except upon the request and at the expense of the vessel or cargo owner or consignee.

f) **Detailed Checking of Cargo.** – The CH Operator, where applicable, shall make a complete and detailed checking by marks and numbers of all cargoes handled, whether unto or over wharves or piers or delivered at shipside.

1) Registry Marks and Tags – The CH Operator shall clearly and legibly mark by lumber crayon whenever physically possible upon each and every package landed upon the piers or other designated places, the registry or voyage number of the vessel from which package was received. Provided, however, that for cargoes of bricks, coal, loose pipes and other similar commodities not susceptible to being marked, a registry tag shall be attached as may be convenient.

Article or cargo, which do not bear any identifying mark, has incorrect marks or marks differing from those detailed in the cargo manifest and/or Bill of Lading, shall not be allowed to be discharged, except on condition that the master, shipping company or agent of carrying vessel shall cause the proper marking of cargoes at the vessel's expense.

CH Operators shall likewise keep and maintain a complete and detailed checking by marks and numbers of cargoes handled or discharged in its pier or area of operation and shall indicate the bill of lading number and or voyage number, shed or open storage assignments, as well as systematically sort, file and store the same and restore the markings if the same be accidentally removed or rendered illegible, for easy location and delivery to the respective owners or consignees.

2) Ship Responsible for Sorting - The CH Operator shall not be responsible for wrong delivery of cargo in its custody consisting of goods which are not sufficiently described and legibly marked and which caused difficulty identifying the same for delivery to consignee.

3) Checking Services for Cargoes – Cargoes in bulk whether liquid or dry passing through shipside, through pipes or conveyors, shall be subject to checking services and fees only. Such checking services shall be rendered in government or private port facilities by cargo checking service providers/surveyors, which are duly authorized by the Authority.

Checking service providers/surveyors, whose checking reports shall be used as basis for government charges, shall be entities that are separate from the cargo owners/shippers.

g) **Palletizing and Stockpiling of Non-Containerized Cargoes as Part of Regular CH Services.**

1) Stockpiling or piling of cargoes is the activity where non-containerized cargoes are piled and stored at PPA-owned and designated open storage shed or warehouse located inside the port prior to delivery or loading to vessel. This is part of arrastre services not subject to any additional fee since it is already paid for under the prescribed arrastre rates in the CH tariff. This also includes piling of cargoes for delivery or receipt onto or from consignee's truck tails. This should not be rendered by another Operator to warrant the imposition of additional fee. However, the piling of cargoes inside consignee's owned warehouse or storage outside of the operational area of the authorized CH Operator is a special service which may be imposed a separate fee at the rate agreed upon by the authorized CH Operator and the cargo owner if not prescribed in the CH tariff.

2) Piling of breakbulk cargoes on portable pallets or stevedoring pallets prior to discharging/loading from/to vessel or delivering cargoes onto consignee's transportation, which is likewise part of the arrastre and stevedoring services are not subject to an additional charge. However, palletizing of cargoes where the CH Operator's services are engaged to place and strap cargoes on pallets, in order to comprise a unit load per pallet either for loading or delivery, is not part of the regular arrastre work and therefore, subject to a separate charge.

h) **Reconditioning and Recouping Bad Order Cargoes.** – The CH Operator shall undertake to recondition or otherwise fix cases discharged in bad order so as to render possible their proper and orderly delivery to consignees. Provided, however, that the actual cost of survey or reconditioning and or fixing the cargo, materials and the wages of employees and laborers engaged in the work, shall be chargeable by the CH Operator against the vessel's agent unless the damage was caused by the CH Operator's workers.

1) Damaged, Defective or Bad Order Cargoes; Surveys – The CH Operator shall segregate for survey, all cargoes landed in bad order or damaged, immediately upon its discharge from a vessel and place same in a place which must be provided for the purpose by the CH Operator upon said piers and wharves but shall not be responsible for failing to note any damage which cannot be easily detected by its external appearance upon discharge of damaged cargo discharged at night.

   Damaged, defective or bad order cargo shall be surveyed within twenty-four (24) hours from request of the shipping company concerned by a representative of the ship or its agent and a representative of the CH Operator.

i) **Delivery.** – The CH Operator shall assume full responsibility for the control and delivery of all cargoes or containers being turned-over to the shipping company or consignee. Cargoes or containers delivered to areas leased by consignees or shipping lines within the port zone, shall also be serviced by the authorized CH Operator subject to separate handling charges as authorized by PPA.

1) Cargo or Container Location System – It shall be the duty of the CH Operator to devise and institute upon approval by the Authority an efficient cargo or container location system and the CH Operator hereby binds itself to properly and systematically pile, stack and segregate cargoes or containers and locate them within one (1) hour from demand to locate unless compliance cannot be done by the CH Operator for causes beyond its control.

2) Inspection and Examination Area – The CH Operator shall provide in coordination with the Authority, a separate inspection area in each shed or warehouse for cargoes designated for examination.

3) Time-Requirement to Commence Delivery – Upon completion of vessel operations and presentation by the consignee or its authorized representative of the required BOC clearance delivery permit or order from the Authority, the CH Operator shall commence delivery of the cargoes to named consignee or consignees, and in case of domestic cargo, immediately upon, presentation to it by the consignee or cargo owner or his duly authorized representative of a delivery permit or order duly approved by the Authority, commence delivery of the cargoes to named consignee or consignees, or to his or their order and must complete delivery at the least possible time unless compliance cannot be done by the CH Operator for cause beyond its control; that the CH Operator shall also furnish upon request, said consignee or consignees with a memorandum or certificate showing shortage or damage, if any, to the consignment or cargo as disclosed by the checker of the CH Operator and shall, in each instance when delivery is made, require and exact from the consignee or consignees a receipt or receipts for all merchandise delivered and said deliveries shall also be endorsed upon the permit of the Authority, and carrier's agent for the delivery required to deliver any cargo to the consignee or consignees thereof, or his or their nominees, until all charges and disbursement with respect thereto have been paid in cash or certified checks.

j) **Out-turn Reports.** – The CH Operator shall within fifteen (15) days after the discharge of the last package or container from any vessel entering the port within the CH Operator's area of operations, furnish and deliver to the vessel's agent, the Collector of Customs (in case of foreign cargoes) and the Port Manager concerned one (1) copy each of the out-turn report of the vessel's manifest, detailing package or container on manifest not landed. The CH Operator shall also list in said out-turn report all unmanifested packages/containers.

k) **Unclaimed and Undelivered Cargoes; Transfer.** – The CH Operator shall submit monthly to the Authority within the first seven (7) days of each succeeding month a list of all unclaimed and undelivered cargo which remain in the piers for a period of more than thirty (30) days after the last package or container from the carrying vessel has been discharged and to transfer, upon request, to a designated place within the port zone such cargo or container together with such other cargo or container if any, which have been abandoned or confiscated by the proper government authority, and the CH Operator shall take and require from them or their representatives to whom delivery is made, a receipt of said

cargo or container showing the condition of the same upon delivery and also an acknowledgment by notation thereon of the charges and liens of the CH Operator, and the subjection of said cargo thereto. Upon delivery of said cargo or container to the proper government authority, the responsibility of the CH Operator shall thereupon cease with regard to any loss, shortage or damage to the said cargo or any part or parcel thereof that may thereafter come or happen thereto.

l) **Dangerous and Obnoxious Cargoes.**

1) General Restriction - No person shall cause any dangerous cargo to be imported or exported and no vessel shall cause to be loaded or discharged or transported any dangerous goods within the limits of any port, except in accordance with the permission or direction of the Authority in addition to whatever regulations or requirements imposed by other appropriate agencies of the government.

2) Declaration of Dangerous Goods

(a) No dangerous goods shall be brought into any port unless such goods are properly documented, marked, packed, labeled in accordance with the IMDG Code.

(b) Such certificate or declaration shall indicate the correct technical name and identity of the goods, the United Nations (UN) Number, and the class to which it belongs under the appropriate classification.

(c) For the purpose of this section, the phrase "limited quantity", when used in relation to a dangerous chemical, shall have the same meaning as that ascribed to it in the Intergovernmental Maritime Consultative Organization (IMCO) Classification or the Blue Book

3) Handling and Storage of Dangerous Cargoes

(a) Documentary Requirements

(1) Authority to handle inflammable liquid and dangerous cargoes, together with preliminary manifest and cargo stowage plan, duly approved by the Philippine Coast Guard (PCG) (suggested Form II-a).

(2) Letter request and permit for handling of dangerous cargoes duly approved by the Authority (suggested Forms II-b and II-c)

(3) Dangerous Cargo List to be submitted to the Authority for information (suggested Form II-d).

(4) Inward or Outward Foreign Manifest to be submitted to the Authority, BOC and PCG for information or statistical purpose and assessment of port charges.

(5) Inward or Outward Domestic Manifest to be submitted to the Authority for information or statistical purposes and assessment of port charges.

(b) General Handling Precautions or Requirements

The general requirements for the handling and storage of each class of dangerous cargoes as classified under the IMDG Code are provided for in the Dockwork Safety and Health Standards, which is made part of this Order by reference. In addition, the following guidelines shall be observed.

(1) Only highly qualified personnel who possess the necessary education, training and or experience are employed in the handling of dangerous cargoes in order to prevent damage or destruction of property of injury or loss of life.

(2) A responsible person is appointed by the CH Operator to supervise the handling of dangerous substances who is aware of the hazards involved and the steps to be taken in case of an emergency.

(3) Dockworkers or stevedores required to handle dangerous cargoes shall be adequately provided with appropriate personal protective or safety equipment or devices, which among others, shall necessarily include the following:

Gloves	Portable Water Pumps
Safety Helmets	Fire Extinguishers
Coveralls or Protective Suit	Water or Sand Drums
Boots or Suitable Footware	Explosion Proof Lamps
Breathing Apparatus	Overhead Tank
Tight Fitting Goggle	Stand Pipes

(4) Conspicuous notices prohibiting smoking or loitering are posted at places where smoking would constitute a hazard or where it poses danger to life of persons.

(5) Fire fighting equipment is ready for immediate use.

(6) While dangerous goods are being handled, precautions are taken to prevent unauthorized access to handling area.

(7) The Port Management Office (PMO) shall ensure that dangerous goods entering the port have been duly certified or declared by the shipper of the goods as being properly

classified, packaged, marked and labelled so as to comply with the appropriate national or international standards applicable to the relevant mode of transport.

(8) Dangerous cargoes shall be unloaded first and loaded last, independently of other cargoes.

(9) No defective package or container with dangerous cargoes inside shall be landed or accepted for loading to vessels or any port except upon permission of the Authority under such conditions as it deems proper to impose.

(10) In the event containers of dangerous substances are broken or damaged while they were being loaded or discharged, they shall be isolated immediately and effective steps shall be taken.

(11) In case of emergency or in order to insure the safety of the port or vessel therein, the Authority may destroy or otherwise dispose of any dangerous goods after due notice to the owners or consignees thereof and their failure to remove the same within the time specified, and the Authority shall not be liable for payment of compensation thereof.

(12) If anything occurs during the handling of dangerous cargoes, the Safety Officer shall be immediately informed of such incident that occurs within the port area and which might endanger the safety of personnel and, the person having charge of handling shall immediately cause the operation to be stopped if it is safe to do so and prevents its resumption until adequate measures have been taken.

(13) Dangerous cargos shall be stowed safely and appropriately according to their respective IMCO classification. Incompatible goods shall be segregated from one another for a minimum distance of two (2) meters (e.g. peroxides from permanganate, sugar from smelly cargoes). Materials that can react with each other shall be stored in separate areas (e.g. ammonium nitrate and sodium nitrite).

(14) If practicable, dangerous cargoes shall be stacked or stored or transferred immediately for storage in a properly designated Dangerous Cargo Area. However, if such facilities cannot be made available, said cargoes should be handled, as much as possible, on a direct delivery or withdrawal or direct loading to vessel basis.

(15) No dangerous cargo shall be transferred to any place inside the harbor limits or any port without the written permission from the Authority and other authorized government agencies concerned.

(16) Containers with dangerous cargoes shall be inspected from time to time while in storage.

(17) As a general rule, chemicals and smelly, poisonous or toxic cargoes shall be stowed separately from other cargoes, especially foodstuffs to avoid contamination.

(18) Liquefied gases inside cylinders, regardless of whether full or empty shall be palletized before entry or exit from the port zone to minimize the unsafe practice of rolling and/or dropping these containers during handling operations.

(19) Compressed gases shall never be stored near highly inflammable substances.

(20) Dangerous cargoes that can cause spontaneous combustion when in contact with other cargoes shall be stored farthest from the rest (e.g. sulfuric acid with synthetic fertilizers or water, sodium metal and water, combustible materials with petroleum products aggravated by poor ventilation.

(c) Safety Officer – The CH Operator shall, in accordance with the provisions of the "Dockwork Safety and Health Standards" which is made part of this Order by reference, designate a Safety Officer who shall possess the necessary education, training and or experience required by law in the handling and disposal of dangerous and obnoxious cargo together with a pool of equally qualified men to handle any emergency or accident arising from the handling of such dangerous and obnoxious cargo.

(d) Objectionable Cargo - The Authority and the CH Operator may prohibit the landing or refuse to accept any cargo which in its opinion may imperil the safety of persons or property in port or damage any part of the premises of the port, or adversely affect the safety of any cargo in the custody of the Authority.

(e) Contamination of other Cargo

(1) If a cargo deteriorates as to contaminate other cargo, the Authority reserves the right to require the complete removal thereof from the transit shed or warehouse within the premises of the Authority within twenty-four (24) hours after notice is given to the cargo owner or consignee, or agent of either, and after payment of lawful revenues and other charges due thereon.

(2) If the notice given in paragraph (1) above is not complied with, the Authority shall have the option to remove the cargo from the warehouse or transit shed to the open storage, sell by public auction, destroy or otherwise dispose of such goods in such manner it may deem proper if domestic cargo, and in coordination with the BOC if import or export cargo. The

Authority shall not be liable to pay any compensation for any goods so dealt with.

(f) Removal of Offensive Cargo

(1) The Authority may, after giving at least twelve (12) hours notice to owner or consignee of goods which are of offensive nature landed in the premises and without permission of the Authority, order its removal and or its destruction if it deems urgently necessary in the public interest, without incurring any liability therefore and without prejudice to any liability incurred by such owner or consignee. If the owner cannot be found, mere publication in the bulletin board for one (1) day is enough.

(2) The expense incurred for the removal, destruction of, or other necessary action on good treated in paragraph (a) above shall be borne by the consignee or owner of the cargo.

(3) The term "offensive" cargo as used in this Section shall include, among others, any cargo, whether solid or liquid, which is obnoxious, corrosive, inflammable or poses danger to life or property.

(g) Firearms and Explosives - All cases containing firearms, ammunitions or explosives shall be clearly marked for identification and at least twenty-four (24) hours before arrival of the carrying vessel, a written notice shall be given to the Authority at the port of discharge. The notice shall contain full particulars of the cargo and shall be accompanied by the required permit or authority for its importations and discharge from proper authorities.

(h) Code of Safe Handling, Storage and Transport of Dangerous Cargoes in Ports – To ensure the general safety of the ports, containment of cargoes, safety of all persons in or near the port premises and the protection of the environment, this Code which is made part of this Order by reference, shall apply to the entry, movement and presence of dangerous cargoes in ports.

m) Broken Goods.

1) Goods which are broken or damaged shall be removed from the Authority's premises at least within fourteen (14) days from the date of landing and after due notice to their owners or consignees and if the same is not removed, it may be disposed of by the Authority solely if domestic cargo, and in coordination with the BOC if import or export cargo. The Authority shall not be liable for any claim therefor. The owner of the broken cargo shall be liable to pay the Authority for the expenses incurred in disposing such broken cargo.

n) Animals or Livestock Cargoes.

1) No animals shall be landed or brought into the port or premises of the Authority, except for direct delivery or shipment and the owner shall be entirely responsible for the animals and their actions.

2) If any stray animal is found within the Authority's premises, the same may be dealt with at the discretion of the Authority.

o) Safe Use of Port Facilities.

To protect the deterioration of existing port facilities and allow the safe use of such facilities, the specific guidelines are hereby prescribed:

1) Containers

(a) As a rule, the port shall not be utilized as empty container depot.

(b) The entry of containers inside the ports for loading or positioning purposes shall be done forty-eight (48) hours prior to actual loading on board the carrying vessels.

(c) All containers should immediately be brought out of the pier premises after discharge from the carrying vessels.

(d) The working apron shall be limited to temporary marshalling. Stacking of containers (empty or full) shall be allowed only during loading and unloading operations, and shall be limited to the apron's design and load capacity.

(e) Containers may be stacked at back-up areas, one or two high depending on the load limits of the open storage area and the container load.

(f) Whenever possible, entry and exit gates shall be designated at the ports to regulate, weigh and check the entry and exit of cargoes and containers.

(g) Appropriate monitoring and checking of such cargoes and containers should be properly instituted by all PMOs concerned.

(h) The port or terminal is classified as a transit point for the movement of goods. Cargoes or containers should, therefore, be monitored so that dwell time is kept at a minimum. In case cargoes or containers are left in the port or terminal beyond thirty (30) days from discharge or receipt, the shipping line shall notify the shipper or consignee and the latter is given seven (7) days to confirm status of their shipment and pull out their cargoes or containers from the terminal. If after the seven (7) day period, there is no confirmation or action that has been taken by the shipper or consignee, the cargo or container shall now

be under the administrative control of the proper authorities for proper disposition.

2) Heavy Equipment

(a) Quay operations shall not utilize large and heavy container cargo lifters for transferring cargo or containers from ships to back-up areas or vice versa. If the pier structure capacity allows, chassis operations may be undertaken.

(b) Deployment of heavy equipment should consider the structural design and limitation of pier aprons for cargo or container transfers from vessel's hook to yard or vice versa.

(c) The existing CH Operators shall abide by the instructions of the Authority's AGM for Engineering on load limitations of piers, wharves and landing areas of the port.

(d) All areas in the port which are officially designated as parking spaces for CH equipment and stacking or storage areas for CH gears shall be treated as part of the operational areas and, therefore, not subject to rental fees.

(e) Motor pools and office spaces shall be provided to CH Operators but the same shall be subject to rental charges in accordance with the rental provisions of PPA Administrative Order No. 22-95 entitled Revised Guidelines on Real State Management which is made part of this Order by reference.

(f) The size of areas to be designated for parking and storage of equipment and gears shall depend on the nature and number of units actually utilized by the contractor in its CH operations. Said area should be determined by the Port Manager.

(g) Designation of the above-mentioned areas shall be included in the port lay-out plan in accordance with Section 6 of PPA Administrative Order No. 22-95.

3) Cargo Location Systems

(a) All piers or terminals shall have a layout plan for cargoes to show the following:

(1) Stacking areas per cargo classification.

(2) Container yard system segregating outbound from inbound containers.

(3) Marshalling yard.

(4) Stripping and stuffing area.

(5) Non-containerized cargo stacking area

(b) A system of early cargo or container location, whether done manually or computerized are required of CH Operators and the shipping lines concerned.

p) Maneuvering of Trailers and Cranes/Winches.

1) Only one authorized and competent signalman shall be assigned and allowed to give signals to the driver or operator.

2) The signalman shall be stationed at a safe position where he can best follow the work.

3) Before giving a signal to maneuver or hoist, the signalman shall ascertain that the load is properly secured or slung and that work can be started without risk to persons.

4) The signalman shall wear gloves of distinctive color, preferably fluorescent yellow.

5) In no case shall the driver or operator move or reverse the equipment unless the assigned signalman so directs.

q) Responsibility in Case of Fire, Etc. – The Authority shall not be responsible for:

1) Any loss or damage to, goods while in its direct custody, caused by fire, water or other agent used in extinguishing fire or by vermin.

2) Any loss or damage to iron work or goods in an unprotected or uncovered state while in its direct custody, which is not due to the Authority's fault or negligence.

3) For any deficiencies of merchandise produced by natural or unavoidable causes.

(a) Liability for Storage Space – After notification to the owners, consignees, shippers of goods or agents of the vessel that accommodation for such goods is not available either in the transit shed, warehouse or open space, the Authority and/or CH Operator shall not be bound to find storage therefore nor be liable for any loss or damage to such goods that the Authority and/or CH Operator directly received and the Authority shall have the option to remove said cargo, after payment of lawful revenues and charges, at the expense of the owner, in order to decongest the pier or wharf.

r) Road Vehicles, Mobile CH Equipment Movement.

1) All vehicles including mobile CH equipment shall be driven with due care within the Authority's premises and shall observe such speed limits and regulations as may from time to time be imposed by the Authority and or CH Operator.

2) Drivers of vehicles within the Authority's premises shall keep a constant look out for all types of mobile CH and mechanical equipment and shall take all necessary precautions to avoid collisions or accidents.

3) No vehicle shall be taken or driven along, or upon any pier or wharf or port or inside any shed or warehouse without the permission of the Authority.

4) All persons shall comply with all orders given by an officer or security guard of, or acting on behalf of the Authority, or by any police officer, for the purpose of regulating traffic within the premises of the Authority.

5) No vehicle shall park on or obstruct any passage or gangway leading to or from any pier, wharf, dock, shed, warehouse or any railway line within the premises of the Authority.

6) No vehicle, truck, tractor engine, or craft shall be left unattended while in the Authority's premises.

7) Without permission of the Authority, no vehicle, within its premises, shall be fueled or refueled at any place other than at an authorized fueling point.

8) When an officer or security guard of, or acting for the Authority deems it necessary to move a vehicle from any place in the Authority's premises to prevent obstruction or danger, it shall be lawful for him to direct the driver to move said vehicle to such other place indicated and if the driver fails to comply with the direction or is not around, said officer or guard may move such vehicle and the expense therefore, if any shall be borne by the owner or operator of such vehicle, without prejudice to the penalty provided in these regulation.

s) Organizational Safety and Health Standard of DOLE.

To further ensure the safety and health of the portworkers in the various ports, applicable provisions of subject body of standards, rules and regulations promulgated by the Department of Labor and Employment which is made part of this Order by reference, shall be adopted and implemented accordingly in all ports.

12. ***Container Handling Operations.*** – Work performed on containers that cover the following sets of services:

a) For work performed on board vessel (stevedoring).

1) Discharging and loading of containers, loaded or empty from vessel to dock or apron and vice versa.

2) Opening or closing of hatch covers, lids and supporting beams.

b) **For work performed at the quay or apron (arrastre).**

1) Receiving of containers loaded or empty from vessels unto chassis or trailers provided by shipping companies.

2) Moving such container on chassis or trailers from alongside carrying vessel to the storage area within the port zone designated for storing container or container yard.

3) Handling, stowing and shifting of containers within the port zone.

4) Loading of containers from place of storage within the port zone unto chassis or trailers either for delivery or transfer.

5) Receiving, handling and stowing of containers, that are either loaded or empty coming from container yard outside the port zone.

6) Moving containers either loaded or empty from storage areas within the port zone and loading them unto vessels alongside the pier.

7) Providing checking services to determine container marks and numbers and whether they are loaded, unloaded or unmanifested.

c) **Mode of Transport.**

Containerized cargoes shall be transported only with the use of chassis or trailers with safety features, for all containers.

d) **Conditions for Loading.**

1) Chassis equipped with operable twist locks of twenty (20) tons capacity each shall be used in transporting all sizes of containers.

2) Overhang containers shall not be allowed anytime.

e) **Documentation and Procedures on Container Transfers under Shipping Line's Custody.**

A domestic Shipping Line (SL) which has availed itself of either the "Cash and Carry with Revolving Deposit" or the "Cash and Carry with Bank Guaranty" collection system under the Authority's existing pertinent regulations may be allowed to transfer its loaded or empty containers for any of the following reasons:

- To avoid congestion at the immediate areas of the pier, wharf or port's container yard.
- To provide value-added services to its clientele.
- To minimize re-handling of containers at the port's container yard.
- To avoid incurring storage charges.

1) General Guidelines

(a) As a general rule, container transfers shall be allowed only if made within the Free Storage Period (FSP).

(b) It is understood that the Shipping Lines, acting as Agents in behalf of the cargo owner, shall bear full responsibility for the payment of all charges accruing on the cargo, including storage charges, if any. The Shipping Line, in the course of the container transfer, shall also be liable for any damage to or loss of the cargo while under its custody.

(c) Shipping Lines shall be responsible for the settlement of CH charges accruing on the cargo due to the CH Operator either in Cash, or through a separate credit facility with the CH Operator, to be able to transfer containers under its custody.

(d) These guidelines shall not apply to:

(1) Full Container Load (FCL) or Less Container Load (LCL) containers that are stripped within the pier terminal upon the Shipping Line's or Consignee's request.

(2) Transfer of containers from pier to pier for storage purposes.

(e) These guidelines shall be applicable at PMOs where there are multi-piers/terminals with separate pier or terminal gates other than the port gates. Where there is only one (1) contiguous pier or terminal in the PMO base port, the PMO after clearance from the AGM for Operations may promulgate guidelines specific to the PMO, consistent with these guidelines.

2) Documentation

(a) PPA Terminal Office must receive the inbound Coasting Manifest (CM) preferably twenty-four (24) hours, but not less than eight (8) hours, before vessel arrival, for encoding into the PPA Computer System before the transfer of containers can be allowed.

(b) For vessels with less than eight (8) hours sailing time to the port, the inbound CM must be submitted immediately to the PPA Terminal Office upon the vessel arrival, for encoding into the PPA Computer System. However, under this situation, no transfer shall be allowed unless the inbound CM has been fully encoded into the system.

(c) The Authority, recognizing that there remains many domestic shipping lines without computer networks, wishes to encourage the growth of the shipping industry through the use of computers and has therefore designed a Template on which Bill of Lading (BL) information may be encoded for easy manifest generation and submission.

Through the use of this Template, which shall be available upon written request, domestic shipping lines, using a stand-alone computer system shall be able to submit an electronic (or soft) copy of the CM directly to the PPA Terminal Office or through the e-Port via the Internet up to one (1) hour before actual vessel arrival or departure, as the case may be.

(d) For electronic (or soft copy) inbound CM, data must be received, uploaded to the PPA Computer system, and accepted and approved by the PPA Terminal Supervisor (TS) before the expected transfer of the containers.

(e) Perishable cargoes in containers, such as produce (tomatoes, bananas, etc.) fish and livestock, may be released through the manual system and later encoded by the TOO into the Computer system. This arrangement, however, shall be temporary and only be valid up to three (3) months from the Computer System Roll-Out date at a specific pier or terminal.

(f) For purposes of this regulation, the term CH Operator invoice shall refer to any document, issued by the CH Operator reflecting the computation of the CH charges due on a particular shipment, such as (a) Cash Handling Receipt; (b) Non-Cash handling Receipt; or (c) Charge Receipt.

3) Procedures

(a) Transfer of Inbound Containers under Shipping Line Custody (Annex II-A)

These procedures shall govern the movement of inbound containers released to the shipping lines for transfer to its container yard or container freight station (CY or CFS), which may be located either inside or outside the port, and from where the Consignee or Hauler eventually takes delivery of the container or cargo.

(1) At any time before vessel arrival or departure, as the case may be, the Shipping Lines may file with the PPA Terminal Supervisor (TS) a Container Transfer Request (CTR), in three (3) copies, for inbound container transfers.

The CTR shall contain the following information: carrying vessel name, Estimated Time of Arrival (ETA)/Actual Time of Arrival (ATA), and the expected transfer period, and individual container numbers, its corresponding size (10, 20 or 40/5), container status (FCL, LCL, Empty) and BL number (under "Remarks" column). The CTR shall also serve as the "authority" for PPA to bill the applicable port and CH charges due on transferred containers against the shipping line concerned.

Shipping Lines that submit the inbound CM through the e-Port need not accomplish the CTR if the transfers are to be undertaken on a "per-vessel-load" basis.

In this case, the Shipping Line must submit a written authority to PPA to allow PPA to bill the shipping line the applicable port and CH charges due on transferred containers. Such authority may be on a "per-vessel" basis or for "all-vessel" basis. However, a Container Discharge List (CDL) on a per-vessel basis, which should contain the same information as the CTR, must still be submitted to the PPA TS concerned.

(2) The TS verifies completeness of the CTR (or CDL) information and manually determines that the estimated amount to be guaranteed by the shipping line, together with other outstanding billings, do not exceed the available credit. If within the credit limit, the TS approves and returns the approved CTR (or CDL) to the Shipping Line. The TS forwards copy to the CH Operator and retains File Copy.

In the event the credit limit will be reached or exceeded as a result of the present transaction, the TS shall require the shipping lines to settle some of its outstanding accounts before approving the CTR (or CDL) or seek higher PPA authority approval for an "Override" to allow the computer system to generate the Invoices.

(3) Based on the PPA transmitted, TS-approved CTR (or CDL), the CH Operator shall prepare the CH Operator Invoice to facilitate documentation.

(4) On the day of transfer, Shipping Line Driver or Hauler (D/H) presents Equipment Interchange Report(EIR)and/or Container(Vans)Transfer Slip(C(V)TS) (for laden and empty containers) or EIR/C(V)TS (for brevity) for CH Operator Gate Pass issuance. CH Operator issues Gate Pass after crosschecking the container numbers with the PPA-provided TS-approved CTR (or CDL) and attaches the CH Operator Invoice. CH Operator retains copy of EIR/C(V)TS.

(5) Shipping Line D/H presents CH Operator Invoice and Gate Passes at the PPA Terminal Office. The Terminal Operations Officer (TOO) verifies BL and container number with the TS-approved CTR (or CDL) and stamps "Authority to Delivery" on the Gate Pass.

(6) Shipping Line D/H exits Pier Gate.

(7) TOO generates system Invoice and attaches the retained copy of the CH Operator Invoice and Gate Pass.

(8) At the specified cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all the system Invoices for the day and forwards billing to the Shipping Lines for payment with a copy provided to the PPA Accounting Office.

(b) Transfer of Outbound Containers under Shipping Lines Custody (Annex II-B)

These procedures shall govern the movement of outbound containers delivered by the shipping lines to the pier for loading from its container yard/container freight station (CY or CFS), which may be located either inside or outside the port, where the Shipping Line first received the container or cargo from the Shipper or Hauler.

(1) The Shipping Line may file a Container Transfer Request, in three (3) copies, with the TS at the pier of loading, preferably two days prior to the carrying vessel's departure.

For Shipping Lines which guarantee all charges on containers loaded onto their vessel, a Container Loading List (CLL) and the written authority must be submitted to PPA in lieu of the CTR.

In the case of empty containers, the Shipping Line binds itself to submit to PPA the list of empty containers loaded on a specific vessel, whether said empty containers came from inside or outside the pier/terminal, within twenty-four (24) hours after the carrying vessel's departure.

(2) The TS verifies completeness of the CTR (or CLL) information and manually determines that the estimated amount to be guaranteed by the shipping line, together with other outstanding billings, do not exceed the available credit. If within the credit limit, the TS approves and returns the approved CTR (or CLL) to the Shipping Line. The TS forwards copy to the CH Operator and retains File Copy.

In the event the credit limit will be reached or exceeded as a result of the present transaction, the TS shall require the shipping line to settle some of its outstanding accounts before approving the CTR (or CLL) or seek higher PPA authority approval for an "Override" to allow the Computer system to generate the Invoices.

(3) Upon the entry of the container to the pier, the Shipping Line D/H presents the BL/PBL to the CH Operator who issues the CH Operator Invoice.

(4) The Shipping Line D/H presents the BL/PBL and the CH Operator Invoice to the PPA Terminal Office. The TOO verifies the container numbers with the TS-approved CTR (or CLL) and

stamps "Authority To Load" on the BL or PBL. The TOO generates the outbound cargo system Invoice and attaches the retained copy of the BL/PBL and CH Operator Invoice.

(5) Shipping Line D/H brings the outbound container into the pier for marshalling, storage or loading onto the vessel.

(6) At the specified cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all the system Invoices for the day and forwards the billing to the Shipping Lines for payment with a copy provided to the PPA Accounting Office.

(c) Release of Inbound Containers under Shipping Line Guaranty (Annex II-C)

These procedures shall govern the movement of inbound containers released to the Consignee or Hauler where the Shipping Line guarantees the payment of all port and CH charges due on the container.

(1) Consignee or Hauler presents Original BL to the Shipping Line. The Shipping Line collects freight and all charges due from the consignee or its representative. Shipping Line issues Release or Delivery Order (R/DO) to the consignee or its representative in exchange for the BL. Shipping Lines stamps Guaranty on the R/DO if the port and CH charges on the cargo are to be charged to its account.

(2) The Consignee or Hauler proceeds to the CH Operator and presents R/DO. CH Operator issues the CH Operator Invoice and the Gate Pass and stamps "Guaranteed" on all copies of both documents.

(3) Consignee/Hauler presents CH Operator Invoice and Gate Passes at the PPA Terminal Office. The TOO verifies BL and container number and stamps "Authority to Deliver" on the Gate Pass. TOO encodes CH Operator Invoice & OR details, generates system Invoice and attaches the CH Operator Invoice and Gate Pass stamped "Guaranteed."

(4) Consignee or Hauler exits Pier Gate.

(5) At the specified cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all the system Invoices for the day and forwards the billing to the Shipping Lines for payment with a copy provided to the PPA Accounting Office.

(d) Acceptance of Outbound Containers under Shipping Line Guaranty (Annex II-D)

These procedures shall govern the movement of outbound containers delivered to the pier by the Shipper or Hauler where the Shipping Line guarantees the payment of all port and CH charges due on the container.

(1) Shipper or Hauler presents Pro-forma BL to the Shipping Line. The Shipping Line collects freight and all charges due from the Shipper or Hauler. Shipping Line issues Bill of Lading to the Shipper or Hauler. Shipping Line stamps Guaranty on the BL if the port and CH charges on the cargo are to be charged to its account.

(2) The Shipper/Hauler proceeds to the CH Operator and presents BL. CH Operator Issues CH Operator Invoice stamped "Guaranteed."

(3) Shipper/Hauler presents BL, CH Operator Invoice at the PPA Terminal Office. The TOO verifies CH Operator Invoice and stamps "Authority to Load" on the BL. TOO encodes CH Operator Invoice details, generates system Invoice and attaches CH Operator Invoice stamped "Guaranteed."

(4) Shipper/Hauler brings the outbound container into the pier for marshalling, storage or loading onto the vessel.

(5) At the specified cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all the system Invoices and forwards the billing to the Shipping Lines for payment with a copy provided to the PPA Accounting Office.

(e) Transfer of Containers under Shipping Line Guaranty: Received at One Pier but for Loading at Another Pier (Annex II-E)

These procedures shall govern the movement of outbound containers from one pier to another due to changes in the carrying vessel's berthing arrangement and where the Shipping Line guarantees the payment of all port and CH charges due on the container.

(1) Shipping Line files a CTR, in five (5) copies, to the PPA TS where the containers for transfer are presently stored. The CTR is to be distributed as follows:

1st Copy	-	Shipping Line
2nd Copy	-	TS at Originating Terminal (TSOT)
3rd Copy	-	CHO at Originating Terminal (CHOT)
4th Copy	-	TS at Receiving Terminal (TSRT)
5th Copy	-	CHO at receiving Terminal (CHRT)

(2) The CTR shall contain the expected transfer period, individual container number, its size (10, 20 or 40/5) and status (FCL, LCL, Empty) and the reason for the transfer (example, For Loading, etc.).

The CTR must also specify that all cargo charges accruing on the listed containers shall be for the account of the Shipping Line. This shall serve as the authority for PPA to bill the Shipping Line concerned.

For Shipping Lines which guarantee all charges on containers loaded onto their vessel, a Container Loading List (CLL) and the written authority, must be submitted to PPA in lieu of the CTR.

In the case of empty containers, the Shipping Line binds itself to submit to PPA the list of empty containers loaded on a specific vessel, whether said empty containers came from inside or outside the pier/terminal, within twenty-four (24) hours after the carrying vessel's departure.

(3) The TSOT verifies the completeness of the CTR (or CLL), approves and returns the approved CTR (or CLL) to the Shipping Line. The TSOT then also forwards a copy each of the CTR (or CLL) to the CH Operator and to the PPA TS at the receiving (loading) pier and retains File Copy.

(4) On the day of the transfer, Shipping Line Driver/Hauler (D/H) presents EIR or C(V)TS to the CHOT for Gate Pass issuance. CHOT checks the container number against the PPA-provided, TSOT-approved CTR and issues CH Operator Invoice and Gate Pass. CHOT indicates the original entry or receipt date of the container to be transferred in the "Remarks" portion of the CH Operator Gate Pass.

(5) Shipping Line D/H presents CH Operator Invoice and Gate Pass at the PPA Terminal Office. The Terminal Operations Officer (TOO) verifies container number with the TSOT-approved CTR (or CLL), generates the system Invoice, if charges have not been previously invoiced, and stamps "Authority to Transfer" on the CH Operator Gate Pass. If previously invoiced, TOO tags the transferred containers to the new SCN of carrying vessel.

(6) Shipping Line D/H exits Pier Gate.

(7) At a specific cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all Invoices for the day and forwards billing to Shipping Lines for payment with a copy provided to the PPA Accounting Office.

(f) Receiving of Containers Transferred From Another Pier for Loading under Shipping Line Guaranty (Annex II-F)

These procedures shall govern the acceptance of outbound containers transferred from another pier due to changes in the carrying vessel's berthing arrangement and where the Shipping Line guarantees the payment of all port and CH charges due on the container.

(1) Shipping Line D/H presents the EIR or C(V)TS to the CHRT, CHRT verifies container number with the TSOT-approved CTR (or CLL) and issues CH Operator Invoice.

(2) Shipping Line D/H presents 2nd PPA copy of CH Operator Gate Pass, issued by the CHOT and duly stamped by the PPA terminal Office thereat, to the receiving PPA Terminal Office, where the transferred containers are to be loaded.

(3) TOO verifies the 2nd copy of the CH Operator Gate Pass details with the approved copy of the CTR (or CLL) earlier provided and approved by the originating PPA terminal. If in order, TOO stamps "Authority To Load" on the EIR or C(V)TS and retains the CH Operator Invoice and 2nd copy of the Gate Pass.

(4) TOO checks the computer system if the transferred containers have been tagged to the new SCN. If not, advises the originating PPA Terminal to initiate the process. TOO encodes the first receipt/entry date reflected on the "Remarks" portion of the 2nd PPA copy of the CH Operator Gate Pass into the computer system.

(5) Shipping Line D/H brings outbound container into the pier for marshalling or direct loading onto the carrying vessel.

13. ***Domestic Roll-On/Roll-Off (Ro-Ro) Transport Operations.***

a) Guidelines.

1) The productivity and efficiency in the transport of goods may be improved by tapping the full potential benefits of RO-RO as an economic means of transportation in the country.

2) Minimize delays and eliminate unnecessary activities on the flow of RO-RO traffic by making RO-RO transport an integral part of the road system.

3) Develop a system for the nationwide adoption of RO-RO services thru the Authority's short-term port improvement program.

4) In ports where there are mixed RO-RO and conventional handling operations, pure RO-RO transport should be covered separately in the contract with CH Operators, unless the Authority directly handles the task.

5) RO-RO operations shall continue to be handled by the incumbent CH Operator concerned.

6) Any income derived by the CH Operator from RO-RO operation shall form part of its gross income and the government share of the Authority shall be based on the pertinent provision of its CH contract, permit or HOA.

b) Modes of Handling.

1) RO-RO - is the loading and discharging of self-powered vehicles, such as cars and trucks, on their own wheels by their owners or drivers between vessel and shore via a ramp. The operation must meet both the following requisites:

   (a) RORO cargo must be self-propelled.

   (b) RORO cargo must be self-driven by its owner or driver without control over the RORO vehicle being surrendered to any other party.

2) CHA-RO - chassis or trailers, empty or loaded with cargo, whether breakbulk, unitized, palletized or containerized, are towed or wheeled into or out of the RO-RO vessel by means of a prime mover, tractor or tow-motor, without cargo rehandling, shifting or grounding on vessel and where no other CH is rendered except lashing or unlashing.

3) STO-RO – conventional, unitized, palletized cargoes or containers which are carried from the apron and stowed into RO-RO vessel or out of the RO-RO vessel to apron or waiting truck by means of a forklift or similar wheeled equipment. The forklift provides the temporary mobile system for such cargo.

4) OTHERS – all other cargoes loaded/discharged from RO-RO vessel not in accordance with the above-described services and which require rehandling on the wharf or dock shall be considered conventional.

c) Major Areas of Operations. – RO-RO operations involve three (3) major areas of operations, these are:

1) Delineate the Marshalling Area – means allocating and making queuing lanes, setting-up proper signs concerning information and instructions and establishing adequate access lanes for other vehicular traffic. This may involve setting-up a public address system to cover a marshalling area of operations. It may further involve coordination with local government authorities for interim roadside parking if port area is limited.

2) Segregate RO-RO Traffic – concerns the establishment of sequence of activities to be covered in RO-RO operations, thus:

   (a) First, allow all passengers to disembark;

   (b) Second, inbound vehicles and cargoes to be unloaded;

(c) Third, outbound passengers to board; and

(d) Fourth, vehicles to be loaded.

3) Clarify Loading Sequence – is the obligation of the shipping company to book outbound vehicles and indicate the loading sequence for the CH Operator to implement. As an alternative, an explicit written procedure using the "first-come, first-served" principle with the desired mix of vehicle types and load configurations may be followed.

d) Services in RO-RO Operations – Since not all terminals have available purpose-built RO-RO facilities, the following services are necessary in RO-RO operations:

1) Designation of a marshalling area in port with RO-RO traffic by the PMO.

2) Receipt of cargo from the shipping/cargo owner and directing the driver to the proper parking space in the designated marshalling area by the CH Operator.

3) Supervision of the parking of outbound RO-RO cargo in the marshalling area by the CH Operator.

4) Security of the RO-RO cargo while under the custody of the CH Operator.

5) Ship's stowage planning by the vessel officer concerned.

6) Supervision of loading/unloading sequence implementation of RO-RO cargo and directing traffic in the process by the CH Operator.

7) Maneuvering of RO-RO vehicle on and off the vessel by the vehicle driver.

8) Securing RO-RO cargo onto vessel deck by the vessel crew or CH Operator at option of vessel.

9) Provision of equipment such as prime mover and forklift (with operator or driver) in case of RO-RO chassis or forklift operations by the CH Operator/shipping lines.

e) Supplemental Provisions on RO-RO.

1) The responsibility of the CH Operator over the loading of RO-RO cargo shall commence when cargo is received and directed to the marshalling area and shall end once the rolling cargo is loaded unto the vessel and properly receipted by the ship's checker. For RO-RO cargo driven by owner's driver, the responsibility of the CH Operator shall end once RO-RO cargo leaves the marshalling area and is directed by the CH Operator to the ship's ramp.

2) The responsibility of the CH Operator during vessel unloading operations shall commence when RO-RO cargo is unlashed, when necessary, by the

CH Operator on board the vessel and shall end once the cargo owner properly receives the RO-RO cargo. For RO-RO cargo driven by owner's driver, CH Operator's responsibility shall end once cargo is unlashed. Any RO-RO cargo damage or loss while in the custody of the CH Operator shall become his responsibility.

3) In case the RO-RO vessel cannot load or unload RO-RO cargoes through its ramp due to force majeure, tidal conditions and or port constraints, the shipping line or vessel owner may enter into an agreement with the CH Operator to provide the appropriate supplemental shore-based ramp with rates or charges mutually agreeable to both parties, with the Authority as final arbiter in case of disagreements.

14. Proper Disposition of Overstaying and/or Abandoned Domestic Cargoes within the Port Premises.

a) Scope. – This shall apply to overstaying and/or abandoned domestic cargo. However, this shall not apply to ports with sufficient back-up space for the establishment of warehouse or storage areas, as may be determined by the Authority.

Nothing herein prescribed shall preclude the Authority from taking emergency measures in coordination with the BOC when necessary to decongest the piers by removing import/export or domestic articles/cargoes from the port area to other secured places at the expense of the owner/consignee.

No cargo shall be disposed from the port premises unless the procedures in the following guides are complied with:

1) Overstaying Domestic Cargoes – are cargoes that have remained at the port premises after the free storage period until the same have been deemed abandoned.

2) Abandoned Domestic Cargoes – are overstaying cargoes which have remained at the port premises after thirty (30) days from discharge of all consignments from the carrying vessel, or acceptance by CH Operator in the case of outbound cargoes, and the owners/consignees have been notified but failed to claim the same or the owners have expressly abandoned the cargoes.

b) Disposition Procedures.

1) Notice and Publication

(a) Notice to Known Owners – Known owners or consignees of overstaying cargoes shall be properly notified in writing by the Port Manager within the thirty (30) day period from discharge or acceptance of the cargoes. Notices, (copies of sample form attached marked as Annex II-G must be served personally and receipted or by registered mail at least three (3) times allowing an interval of ten (10) days between each notice. The first notice must be sent on the 10th

day from discharge or acceptance of the cargoes. Overstaying cargoes not withdrawn at the expiration of the prescribed thirty (30) day period and after the last notice shall have been served, shall be inventoried and sold at public auction by the Port Manager in accordance with Item b), 6) of this Section.

(b) Notices to Unknown Owners – Notices to unknown owners/consignees of overstaying cargoes shall be effected by the Port Manager, as follows:

(1) For articles/cargoes with an estimated value of Twenty Thousand (P20,000.00) Pesos and below, notice shall be posted on the 10th day after discharge or acceptance involving such cargoes/articles, for fifteen (15) consecutive days within the thirty (30) day period in a conspicuous place/premise of the PMO where the unclaimed cargoes are located.

(2) For articles/cargoes with an estimated value exceeding Twenty Thousand (P20,000.00) Pesos, the Port Manager must publish, simultaneous with the posting, such notice for three (3) consecutive issues in a local newspaper or other effective means.

In both cases, if within ten (10) days after the prescribed posting and/or publication, no owner or agent can be found or appears before the Port Manager, the abandoned domestic cargoes shall be inventoried and sold at public auction in accordance with Item b), 6) of this Section.

2) Option to Reclaim – Upon presentation to the Port Manager or his duly authorized representative of proof or ownership, the owner, shipper or consignee shall have the option to reclaim his abandoned cargo, a week before the actual auction takes place.

Any of the following authenticated documents shall be considered as proof of ownership:

(a) Bill of Lading

(b) Invoices

(c) Official Receipt/s

(d) Or any other documents of probative value

The Port Manager or his duly authorized representative shall notify the Auction Committee (AC) of the intention of the owner, shipper or consignees to reclaim his cargo. Prior to the approval of the release of the cargo, the Port Manager shall see to it that charges and expenses such as:

(a) Taxes (if any);

(b) Charges on cargo (wharfage and storage);

(c) Arrastre/Stevedoring charge; and

(d) Necessary and incidental expenses, like advertisement, transfer expenses, etc.

have been fully paid by the claimant in accordance with usual accounting and auditing procedures.

3) Mode of Sale – Overstaying and/or abandoned cargoes are subject to disposal by auction or by negotiated sale in accordance with Item b), 6) of this Section.

4) Auction Committee - The auction sale shall be conducted by an Auction Committee (AC) to be constituted as follows:

(a) Composition – In each PMO, an AC shall be composed of four (4) regular members: The Port Manager or his authorized representative who shall act as Chairman, the Port Services Division Manager, Resource Management Division Manager and Legal Affairs Division Manager or in his absence, the Administrative Officer as member. A representative from the Commission on Audit (COA) shall be invited to witness every auction proceeding.

(b) Functions – The duties/responsibilities of the AC shall be as follows:

(1) To conduct auction and/or private sale.

(2) Provide the necessary information to interested bidders.

(3) Assess/evaluate data and determine qualification of participants.

(4) Appraise the value of pre-determined charges and/or expenses such as; taxes/duties, bidding expenses and port charges, and keep the same confidential.

(5) Award sale lot numbers to winning bidders if the amount involved is less than One Hundred Thousand (P100,000.00) Pesos.

(6) Recommend to the General Manager (GM) of the Authority, the awarding to winning bidders if the amount involved exceeds One Hundred Thousand (P100,000.00) Pesos.

(7) Render reports to Head Office on every perfected sale.

(8) Keep records of its proceedings.

(9) Perform such other duties as maybe necessary in the effective discharge of their functions.

5) Participants in Auction Sale – Any Filipino citizen of legal age or any domestic juridical entity duly represented by its authorized official may participate in the auction sale, provided, however, that PPA officials and employees and relatives of the members up to the second civil degree of consanguinity or affinity shall be disqualified from participating therein.

6) Auction Procedures

(a) Notice of Sale – Notice of Sale (copy of sample form attached as Annex II-H shall be advertised by the Port Manager by printed notice in the Official Gazette, or for not less than three (3) consecutive days in any newspaper of general circulation, or where the value of the property does not warrant the expense of publication, by notices posted for a like period in at least three (3) public places in the locality where the property is to be sold.

(b) Auction Proceeding – At the date of the auction sale, the bidders shall register their names and addresses at the log book and drop the sealed bid containing the specific amount offered and the bidders bond equivalent to ten (10%) percent of the amount of bid in cash, cashier's or manager's check at the box made for the purpose prior to the time set for the opening of bid. No bid shall be accepted after the designated time for the opening of the bid whereupon submission of bids shall be declared "closed" by the AC. Bid tender (see attached Annex II-I) will be opened and read one after the other by the Chairman, Auction Committee at the exact time set and shall be signed by all members of the AC and the COA representative.

(c) Determining the Winning Bid – After opening of all bids, the member-secretary shall prepare the Abstract of Bid (Annex II-J) in three (3) copies to determine the winning bid. The highest price offered shall be the winning bid, provided, that the amount shall at least meet the estimated predetermined charges and other expenses. In case of a tie, the AC shall exercise reasonable discretion in determining the winning bid.

(d) Posting of Performance Bond – Immediately after the winning bidder has been determined by the AC, he shall be required to post a performance bond in the form of cash, cashier's or manager's check, which in addition to the bidder's bond shall be equivalent to twenty (20%) percent of the bid price. Such total amount shall be considered partial payment of the bid price.

Failure of the winning bidder to post said bond should result in the automatic forfeiture of the bidder's bond.

(e) Award of Winning Bidder – Winning bid price of less than One Hundred Thousand (P100,000.00) Pesos in a single lot shall be awarded immediately by the AC. Where the bid price is more than One Hundred Thousand (P100,000.00) Pesos, the award shall be made by the General Manager upon the recommendation of the AC.

In both cases the balance shall be paid within three (3) days from receipt of notice of award and the articles/cargoes shall be immediately withdrawn from the port premises upon full payment of the balance, otherwise the twenty (20%) percent performance bond shall be forfeited in favor of this Authority. The AC shall retain the bonds of the losing bidders until the bid price has been fully paid by the winning bidder.

7) Disposition of Proceeds – The following charges/expenses shall be paid from the proceeds of the sale in the following order:

(a) Taxes, if any, due to the Government.

(b) Expenses of appraisal, advertisement and sale.

(c) Port Charges due to the Authority.

(d) Government Share on CH income due to the Authority.

(e) Freight, lighters or shipping expenses.

(f) If there is surplus, person legally entitled thereto and/or unknown owners after presentation of satisfactory proof of ownership, upon demand within a period of one (1) year from date of sale.

8) Disposition of Overstaying and/or Abandoned Cargoes Unfit for Use or Menace to Public Health – Any overstaying and/or abandoned cargo which in the opinion of the Port Manager is a menace to public health, shall be ordered destroyed in such manner as the case may warrant, in coordination with health authorities, the BOC and the COA at the port.

8) Disposition of Unsold Cargoes/Articles for Want of Bidders – When any overstaying cargo remains unsold after at least two (2) public biddings for want of bidders or for lack of an acceptable bid and the cargo is perishable and/or suitable for official use, the Port Manager shall report the matter immediately to the PPA General Manager who may, subject to the approval of the Secretary of Department of Transportation and Communications (DOTC), authorize the official use of the cargo/article in the following order of priority: first, by the Authority and, second, by other offices of the government. If the cargo cannot be disposed of as provided above, the same may be sold thru negotiated sale at a price to be fixed by the AC and approved by the General Manager or concerned government offices.

15. *Weighbridge Operations*.

Any weighbridge operation within the port is the responsibility of the CH Operator who may also sub-contract the same.

a) **Weighing of Trucks/Chassis.**

1) All haulers with duly authorized Permit to Operate issued by the PMO concerned shall be required to submit their trucks for weighing to determine the actual tare weights of the same, including their chassis/trailers to avoid subsequent weighing of said trucks upon each entrance to or exit from the port and thereby facilitate the determination of its cargo weight.

2) The tare weight of trucks, chassis or trailers, as initially determined, shall be verified by the Authority at least annually to determine actual vehicle tare and to up-date existing records.

3) A Weighing Ticket (WT) shall be issued by the Weighbridge Office for each truck, chassis or trailer weighed, indicating the tare weight and other relevant information for easy reference and identification. The Weighing Ticket shall be permanent and shall be presented by the driver to the Weighbridge Office, whenever cargoes being withdrawn or delivered are subjected to weighing. Provided however, that where the truck, chassis or trailer has undergone reconditioning or repair, the same shall be immediately reported to the Weighbridge Officer who shall subject the truck, chassis or trailer to mandatory re-weighing.

b) **Weighing of Inbound or Outbound Containers and Cargoes.**

1) As a rule, all outbound containers or containerized cargoes shall be weighed prior to loading on board vessels. This should assist the vessel officers and the CH Operators to have an official weight record of cargoes and containers for a credible vessel stowage plan and safe equipment utilization.

2) Inbound containers and containerized cargoes shall also pass through Weighbridges for weighing as may be required by either the Bureau of Customs or other road and transport government agencies.

3) All laden vehicles, the cargoes of which are ordered by the Authority for weighing, shall be weighed at the nearest appropriate Weighbridge. For this purpose, PPA Terminal Operations Officers or Terminal Operations Assistants (TOO or TOA) shall issue a Weighing Order (suggested Form II-e) after verification of the Customs delivery and other documents submitted by the consignee, shipper or broker.

4) In cases of suspicious cargo delivery documents, the Authority may waive the preparation of a Weighing Order and undertake immediate weighing of the laden truck at the nearest appropriate Weighbridge to determine veracity of documents presented.

5) Consignees, shippers, brokers or haulers of cargoes that are required to be weighed by the Bureau of Customs shall accomplish and submit a Weighing Request (suggested Form II-f) supported by appropriate Customs/PPA documents. In the absence of any appropriate Customs/PPA

documents, the requesting party shall certify as to the purpose of weighing and the status of cargoes being weighed.

6) Consignments subject to weighing and which involves multiple delivery shall be covered by a Weight Summary Report (suggested Form II-g) prepared by the Weighbridge Office to provide easy reference and monitoring of the amount of cargo already withdrawn or still remaining in the port.

7) In cases of under-declaration of cargo weight, the Weighbridge Office shall submit a Discrepancy Report to the Finance Division within three (3) days from the date of last weighing. Such consignments shall be subject to payment of additional charges, as may be applicable and determined by the Weighbridge Office. With regard to different consignments loaded in one truck, discrepancy and additional port charges accruing on said consignments shall be pro-rated among the shippers/consignees based on the declared weight of their respective cargoes in the Bill of Lading.

c) Hours of Operations.

1) Operational Shifts – The Weighbridge Office shall operate twenty-four (24) hours, seven (7) days a week (24/7), in three (3) shifts.

d) Weighbridge Fees.

1) Weighing of Trucks – For determining the tare weight of trucks, chassis or trailers, a Weighbridge Fee prescribed by the Authority shall be collected. Payment of a Weighbridge Fee shall be compulsory and without exception as to truck owner, broker or requesting party.

2) Weighing of Cargoes – For determining the weight of cargoes ordered by the Authority for re-weighing, no Weighing Fee shall be collected. However, for the use of the Weighbridge for export or outbound cargoes/containers as required by the Authority, the Bureau of Customs and or requested by shippers or consignees, brokers or haulers, a Weighbridge Fee prescribed by the Authority shall be collected from the requesting party for each laden truck weighed.

3) Payments of Weighbridge Fees – Payment for the use of the Weighbridge shall be at the rates prescribed by the Authority, subject to future adjustments.

16. *Porterage Services.*

a) Criteria in Determining Porterage Rates.

1) The weight of package or baggage not to exceed thirty (30) kilograms (kgs.) and/or size not to exceed a total of 0.4 cubic meter (cu.m.) with no one side/dimension exceeding one (1) meter (m.)

2) The actual distance covered by the porter in traveling to/from the point of passenger's embarkation/disembarkation to/from entrance or exit gates.

The porterage rates shall, therefore vary from port to port, based on these factors.

The Port Manager shall recommend the porterage rates applicable to the ports or terminals under his jurisdiction.

b) Permit and Regulatory Fee.

When porterage is specifically not included in the services rendered by the CH Operator, the Port Manager is authorized to issue permit to operate porterage services not exceeding one (1) year. One (1) year renewals of porterage permits shall be done only with clearance from the Port District Manager. Permits or contracts exceeding one (1) year shall be subject to the approval of the AGM for Operations. A regulatory fee of One Thousand Five Hundred (P1,500.00) Pesos per annum shall be charged the Operator.

c) Operational/Administrative Requirements.

1) Porterage service shall be voluntary. Passengers opting not to avail of the services of the porters shall not be forced to have his or her baggage or luggage serviced by porters without his/her permission.

2) Porterage service operators shall issue tickets to passengers to serve as receipts for the service rendered. The ticket shall be pre-numbered and shall indicate the porterage business name and the corresponding amount. It shall be divided into three (3) portions, the first portion being the passenger's coupon, the second portion goes to the porter and the last portion shall be retained at the collection booth.

   (a) The baggage shall be assessed at the collection booth for the payment and issuance of stubs to passengers and porters. It shall be indicated in all the three (3) portions of the ticket the man-number of the porter servicing the passenger to pinpoint liability in case of loss or damage to the baggage.

   (b) At the end of the day, the porters shall present to the collection booth their accumulated portions/copies of porterage tickets to claim their porterage income for the day.

3) Before a vessel is berthed, responsible officer of said vessel shall be required to announce that porterage services may be availed of at said port at prescribed rates.

4) Porters shall fall in line about ten (10) meters away from the quay/wharf where the vessel is directed to berth at least ten (10) minutes before the vessel is fully secured. They will board the vessel only thru the gang plank upon clearance by the chief porter.

5) The porterage rates shall be posted at key sites of the port or terminal and the vessel's premises such as access openings and in conspicuous places in the port premises. The same shall be in bold letters and preferably painted in areas where passengers can easily see them for proper guidance and information.

6) Pieces of baggage, personal effects and the like, whether or not covered by Bill of Lading, but serviced by porters, shall be liable to porterage fee only. No arrastre charge shall be imposed.

7) Said piece of baggage shall not be liable to any porterage fee if carried by the owners or passengers themselves and without any assistance from the porter/s.

8) Mere issuance of gate passes for the baggage/luggage of passengers serviced by porters is no reason for the imposition of arrastre/checking charges by the CH Operator.

17. ***Cargo Handling Contract or Permit to Operate.***

a) Authority to Operate.

1) A contract or permit for CH services shall serve as the authority of the CH Operator to provide the services in the port. The contract or permit shall contain the applicable terms and conditions in providing such services and for the faithful compliance by the CH Operator for the duration of the contract.

2) The Local Government Unit (LGU) or government corporation with an existing Memorandum of Agreement (MOA) with the Authority under PPA Administrative Order No. 02-98 to manage, operate and develop government ports turned over to them, may, on its own, by contract or otherwise, operate CH and other related services within the port or undertake any port related economic activity therein.

CH and related services contracted out to third parties by the LGU or government corporation shall have a term not to exceed the stipulated period of the MOA between PPA and LGU or government corporation. Provided, that the LGU or government corporation 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 government corporation and its subcontractor shall be in such form and terms acceptable to the Authority.

3) The choice of an operator who will undertake CH services at a port which is constructed and maintained out of purely local fund by a city or a municipality, shall be made by the concerned LGU, subject to the following conditions:

(a) The chosen operator through a Sangguniang Resolution shall comply with the licensing requirements of the Authority as provided under applicable PPA regulations, before the corresponding permit or contract is issued.

(b) Once an operator is chosen by the LGU and issued a permit or contract after compliance of the Authority's requirements, or when the municipal port has an incumbent operator or licensee chosen by the Authority, the renewal of the permit or contract in favor of the same operator who has satisfactorily rendered the services, rests with the Authority.

(c) The cancellation or revocation of a permit or contract thus issued to the chosen or incumbent operator referred to above, before its expiration for justifiable reason is also vested in the Authority and the city or municipality concerned can again choose the operator in the area.

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.

4) In government ports where integration of CH Operators is implemented, the anchorages of said ports should be operated by the PPA authorized CH Operator of said port.

Unless specifically authorized by the Authority, a PPA-registered private port owner shall not be allowed to handle its cargoes at the anchorage fronting his port when the carrying vessel cannot dock at said private port due to draft limitation or other safety considerations. The carrying vessel should instead be directed at the nearest government port.

5) In the case of duly-registered privately-owned ports, its authority to undertake CH operations either on its own or by contract shall be its Certificate of Registration or Permit to Operate the private port. The registered private port operator handling purely its own cargo has the authority to choose its own CH Operator.

b) <u>General Conditions on All CH Contracts or Permits</u>.

1) <u>Tenure of Contracts/Permits</u>

(a) The tenure of CH contracts shall depend on factors which include, among others, the following: type and volume of cargoes; kind of trade as to domestic or foreign, containerized or non-containerized, extent of investment, manner of handling, size, configuration and development of the port. However, among the foregoing factors, the annual volume of cargoes may also be used as a guide to determine the tenure of the contract, as follows:

up to 150,000 t	- 5 years
150,001 to 300,000 t	- 8 years;
300,001 to 1,000,000 t	- 10 years;
1,000,001 to 2,000,000 t	- 15 years
above 2,000,000 t	- more than 15 years

2) Financial Obligations and Liabilities

(a) Government Share

In consideration of the rights and privileges granted to the CH Operator and for him to share the burden of accelerated development, construction and maintenance of port facilities, the CH Operator shall remit to the Authority, (without prejudice to the implementation by the Authority of the direct or daily collection system) not later than the 5th day of every month (for the prior month's income) a government share, as required in the contract/permit, from the gross income derived from the handling of cargo whether billed or unbilled and collected or uncollected derived from all sources in connection with its CH and related services provided in the port.

Upon recommendation of the Port Manager, the Authority may institute the direct collection of CH fees and or government share.

(b) Working Capital

The CH Operator binds itself to establish and maintain a deposit in a reputable bank the amount specified in the contract as working capital to sufficiently meet its day-to-day operational needs, including claims arising from its operations.

(c) Expense for the Sole Account of the CH Operators

All expenses incurred by the CH Operator in the operation of the CH services under the terms and conditions of the contract and all liabilities to which it may be subjected as follows among others, shall be for the account of and paid by the CH Operator.

(1) Maintenance of the port facilities in a neat, clean, safe, usable and in proper working condition.

(2) Provision of safety signs/slogans and related notices in strategic places in the port premises.

(3) Hire out and assignment of security guards to protect cargoes under its custody.

(4) Hire out and assignment of sweepers in the port and provision corresponding garbage receptacles in strategic locations thereat including removal of collected garbage from such receptacles.

(5) Payment of all the bills for utilities exclusively used by the CH Operator within the area of its operations.

(6) Payment of all real estate tax for all port facilities leased to the CH Operator.

(7) Procurement of the required insurance from the GSIS for the government owned facilities/structures that the CH Operator shall be responsible for.

(8) Initiation and attainment of the necessary certification of the CH Operator for ISO-9002 (Quality Assurance Standard), ISO-14001 (Environmental Management Standard) and OHSAS 18001 (Occupational Health and Safety Standards).

(9) Undertaking and implementation of computerization programs for the CH Operator's port operations and financial transactions, adoptable and consistent with the PPA MIS Computerization Project. Such computer programs shall include, among others, the functionalities of the Port Operations Management System (POMS), the Account and Finance Management System (AFMS) and other functions implemented under said project.

3) CH Charges and Related Fees

(a) Authorized Charges – The CH Operator shall carry on its financial transactions strictly on a cash and carry system. The CH charges and related fees shall be in accordance with the rates prescribed and authorized by the Authority.

(b) Rate Adjustment – The prescribed rates and charges collectible by the CH Operator for services rendered may be subject to adjustments, in accordance with the price policy and rate setting mechanism currently adopted by the Authority and the laws and regulations promulgated by the government. Provided, however, that such changes or proposed increase in rates shall be considered only when the following conditions are present:

(1) When the adjustment is proposed/requested after the first two (2) years of the Contract;

(2) When the rate of increase in fuel cost, government mandated wage adjustments and power cost and other such economic factors which greatly impact its direct operating costs or when the exchange rate of the Philippine pesos to the US dollar deteriorates by more than ten (10%) percent.

(c) Cost Recovery Measures – In order to cushion the of impact of changes in input prices of labor, fuel and power, an interim across the board CH rate increase may be granted to the CH Operators using the Consumer Price Index (CPI) formula as guide.

(d) Rate Setting for Non-traditional Services - In cases where non-traditional services may be offered to the port users, the CH Operator may apply for the applicable service rates and such rates shall be agreed upon by the user and CH Operator and approved by the AGM for Operations.

(e) Authorized Charges - The CH Operator shall not change or alter the existing rates or charges, introduce new fees other than those prescribed and approved by the Authority. Items for which there is no official rates issued by the Authority shall immediately be reported by the Port Manager concerned to the AGM for Operations for the issuance of an official rate.

4) Performance Bond

The CH Operator shall, within one (1) month upon the execution of the contract or permit, put up a performance bond in the amount prescribed in the contract/permit to be secured from the Government Service Insurance System (GSIS) General Insurance Fund, either at its Head Office or Branch Office nearest to the place of business of the CH Operator, pursuant to Presidential Administrative Order No. 33 of the President dated 25 August 1987. The amount of the bond shall be adjusted from time to time in accordance with pertinent guidelines of the Authority. The bond, until so released in writing by the Authority, shall remain in full force and effect and shall answer and guarantee the full and faithful compliance with each and every term, stipulation and condition of the contract or permit and other applicable rules and regulations of the Authority.

The bond to be posted shall specifically contain a provision that "This bond, once accepted by the Authority (PPA) cannot be cancelled or withdrawn by the GSIS and or the CH Operator without the express consent of the PPA until their obligations under the contract or permit to operate shall have been fully liquidated". In no case shall the Port Manager accept a bond not containing the aforequoted stipulation.

Upon signing of the CH Contract or Permit, an "Undertaking" shall be submitted by the CH Operator in lieu of the performance bond during the period that said bond is being secured from the GSIS.

On the other hand, it is the underwriting policy of the GSIS to require acceptable collateral for the performance bond being secured by the CH Operator in the following cases:

(a) Unsatisfactory track record of the CH Operator.

(b) CH Operators resources as shown on latest financial statement not adequate to meet the financial demands of their contract/permit.

(c) Co-signers offered found unacceptable.

(d) Adverse information against the CH Operator.

5) Business Plan

The Business Plan is a business strategy employed by the CH Operator to effectively provide, manage, operate and market the services aimed to ensure fast turn around of vessels, attain service satisfaction of concerned users and entice port clientele to patronize the port. The Plan shall be subject to joint review by the Authority and the CH Operator every two (2) years or as necessary due to substantive change in business and/or economic conditions, and shall include, among others, the following:

(a) Traffic Projection and Analysis – based on actual statistics of vessel, cargo and passenger traffic to determine appropriate requirements of the port for the duration of the long- term contract.

(b) Cargo Handling Equipment – the equipment requirement sufficient to handle the cargoes, procured and made available for the duration of the contract.

(c) Productivity Commitment – the productivity commitment to efficiently handle cargoes of the port based on Vessel Operations Commitment (VOC) averages.

(d) Capital Structure/Requirement – investment or capitalization requirements sufficient to attain the objectives as stated in the Business Plan.

(e) Safety and Security Program – a yearly commitment of action plans and projects to ensure safety and security of the port, cargoes and its facilities.

(f) Marketing Strategy – a set of activities that will show how the services will be marketed, to include among others, a description of marketing mix to provide the desired service to port users (product); make such services conveniently available (place); offer a positive image of the company (promotion); and make the service affordable and reflect the value of the services rendered (price).

(g) Manual of Systems and Procedures – prepared systems and procedures manual for port operations and finance transactions, and other activities of the CH Operator with its clients and port users.

(g) People Development – a program for the improvement of the workers' and employees' welfare to include, among others, training, financial amelioration and other similar benefits.

6) Equipment and Facilities

(a) CH Equipment and Gears; Firefighting Equipment

The CH Operator shall have available at the commencement of the operations, the equipment for the provision of CH services as required by the Authority, all in serviceable and ready-line condition. Provided, that within three (3) to six (6) months from the time the CH Operator receives an order from the Authority, said CH Operator shall have available for the operation of the services covered by the contract or permit such CH equipment, gears and materials as may be necessary to efficiently handle sustained and uninterrupted CH operations, including such reserve and standby equipment and materials to take care of fluctuations of cargo traffic, as well as breakdown of equipment, as shall be reasonably determined by the Authority.

Provided, that the number and type of CH equipment to be deployed shall be in accordance with the approved Business Plan.

(b) Equipment Modernization and Procurement Program

The CH Operator binds itself to submit to the Authority for approval, an Equipment Procurement and Modernization Program, consistent with utilization, specialized equipment and gears for special types of cargo and other progressive material handling trends and techniques. Likewise, the CH Operator binds itself to acquire equipment to replace such equipment which the Authority shall, upon careful inspection, consider to be inefficient or uneconomical to operate or recondition by reason of age, wear, disrepair and other causes; provided, that the CH Operator shall procure additional modern equipment to meet the exigencies of the service brought about by the increase in volume and type of cargoes, port and shipping developments, or as the circumstances demand.

(c) Fire-Fighting Component

The CH Operator shall make available for its regular working force on a twenty-four (24) hours basis fire-fighting equipment as prescribed in the "Dockwork Safety and Health Standards" within sixty (60) days from the date of effectivity of its CH contract.

(d) Other Physical Facilities/Programs

The CH Operator undertakes to improve the working conditions of its workers and employees by adopting the following measures for the duration of the contract/permit:

(1) CH Operator undertakes training needs and conducts in-service training programs for all categories of personnel from management, officers, employees to workers thru the PPA

Training Center (PPATC), for which purpose the CH Operator shall provide the necessary funds, facilities and equipment for the proper implementation of such training programs. Provided that trainings conducted other than by PPATC shall have prior approval by the AGM for Operations.

(2) CH Operators with contract terms of five (5) years and above shall provide and maintain at their own expense toilet facilities for their workers within the working areas or any suitable place thereat, including wash basins following the ratios, per shift, prescribed below:

i) When the number of workers is not more than twenty (20), the required minimum number of facilities shall be one (1) toilet seat and one (1) urinal.

ii) When the number of workers exceeds twenty (20) but not more than two hundred (200), one (1) toilet seat and one (1) urinal shall be provided per forty (40) workers.

iii) When the number of workers exceeds two hundred (200), one (1) toilet seat and one (1) 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, provided, spaces shall be made available by the port authority. It shall be maintained in a clean and sanitary condition, well ventilated and lighted.

(3) For the CH Operator, in cooperation with existing labor union, if any, to provide recreational activities and programs for its employees and workers.

7) Productivity Rates

The CH Operator shall expeditiously load and discharge all cargoes to and from vessels, weather and ship's gear permitting, at the rates agreed upon in the Vessels Operations Commitment (VOC) and/or Post Vessel Operations Evaluation Report (PVOER) that must be consonant to the CH Operator's productivity commitments in its Business Plan and/or Contract.

(a) Vessel Operations Commitment (VOC) and Post Vessel Operation Evaluation Report (PVOER)

(1) A Vessel Operations Commitment (VOC) shall be undertaken to provide a system/mechanism by which the CH operator and shipping lines in the port can stipulate their respective requirements and responsibilities. It will also serve as a basis for the subsequent evaluation and analysis of the actual implementation, thru the Post Vessel Operations Evaluation Report (PVOER).

(2) The VOC and PVOER shall be implemented by the PMO and the PDO exercising jurisdiction thereon in all baseports and other PPA manned terminals with authorized operators

Vessel Operations Commitment (VOC)

(1) The VOC (suggested Form II-h) shall be executed by shipowners/agents of all vessels, whether foreign or domestic, with PPA-authorized CH Operators in the port, in accordance with the specific instructions attached thereto. It shall be submitted to the PMO or its Terminal Management Office (TMO).

(2) The VOC shall specify the particular CH service requirements of every vessel in the port, and the commitment of the CH Operator, considering such factors as, but not limited to, type of vessel and lifting gears, CH equipment to be provided for arrastre or stevedoring works, necessary gang compliment, cargo classification type and the targeted productivity rate per commodity, type in tonnes for containerized cargoes, and in boxes for containers.

(3) A quarterly or annual VOC shall be updated when necessary to modify the CH service requirements of the vessel and or commitments of the CH Operator.

Post Vessel Operations Evaluation Report (PVOER)

(1) The PVOER (suggested Form II-i) shall be accomplished in accordance with the specific instructions attached thereto the following day after completion of the vessel operations by the authorized CH Operator. This shall be confirmed by the vessel owner/agent and attested by Terminal Supervisor or Terminal Offices after which it shall be submitted to the latter.

(2) The Terminal Supervisor or his representative shall analyze and evaluate actual implementation of the VOC by the CH Operator and vessel owner or agent in terms of their respective responsibilities committed. The concerned parties shall discuss the problems arising during such implementation and remedial measures shall be effected by them.

Productivity Summary Report (PSR)

(1) The monthly PSR (suggested Form II-j) of the PMO/TMO shall contain the CH productivity rates derived from all the PVOER processed within the month and shall be prepared by the Terminal Supervisor of the baseport and Terminal Officer of the TMO and submitted to the PSD Manager.

(2) The Semi-Annual PSR (suggested Form II-k) of the PMO shall contain the productivity rates derived from monthly PSR and shall be prepared by the Port Manager on a 6-month basis and on the first week of July for the January-June of same year and on the first week of January of the following year for the July to December of the previous year. This report should contain data of CH productivity rates of ports per commodity type which is essential to determine the efficiency of CH Operators concerned as well as their compliance with the productivity commitment stipulated in their contract/permits. Copies of this Semi-Annual PSR shall be promptly submitted to the PDO Manager and AGM for Operations for his and GM's information.

The Office of the AGM for Operations shall establish a database of productivity rates of CH Operators based on the Semi-Annual PSR submitted by the PDO/PMOs.

Responsibilities of Field Operations personnel on the implementation of the VOC and PVOER

(1) The PDO Manager, PMO Manager, PSD Manager of the PMOs, TS, STOO, TOO and other concerned operations personnel shall, within their respective level of responsibilities, monitor/supervise the actual implementation of the VOC and accomplishment of the PVOER; determine the CH productivity rates per type of commodities handled in their ports; devise system or take appropriate measures/remedial action to improve said rates in coordination with CH Operators and shipping lines concerned.

(2) The CH productivity rates obtained per Gross and Net Gang Hour and per commodity type for the previous three (3) years derived from the data so far submitted to PPA Head Office (POSD) by the PDO/PMOs, shall serve among others, as reference or guides in the task of determining CH productivity rates and improving them by CH Operators and shipping lines concerned.

(3) The Port Manager is authorized to issue local guidelines designed to effectively implement the VOC and PVOER.

8) Portworkers' Retirement and Separation Fund (PRSF)

(a) Scope and Coverage of the PRSF

(1) All regular employees and contractual or casual employees who have served for at least six (6) months or more continuously at the time of separation.

(2) In case of retirement, the minimum of five (5) years of continuous service at the time of retirement provided for in the Labor Code, as amended shall apply.

(3) Employees whose employments have been terminated under Article 282 of the Labor Code, as amended and those who resign under Article 285 of the same Code are not to be covered by the PRSF. The employees to be covered are those mentioned in Articles 283, 284 and 287 of the same Code.

(b) PRSF General Guidelines

(1) All CH Operators under the jurisdiction of PPA, shall establish a PRSF which shall be set up as follows:

1. within one (1) year - for new CH Operator

2. before award of CH Contract - for existing CH Operators with renewed contract.

(2) The CH Operator-employer shall register its port workers and employees with the Social Security System (SSS).

(3) The amount of PRSF to be established shall be sufficient to cover the retirement and separation benefits of concerned portworkers based on their monthly salaries divided by authorized working days multiplied by the multiplier (22.5 days) and number of years of service of the employee. The multiplier is based on the Labor Code provision of at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year or as stipulated in the Collective Bargaining Agreement (CBA), if any, whichever is higher.

(4) For purposes of tax exemption, the CH Operator shall coordinate with their respective trustee banks for the registration of their Trust Funds with the Bureau of Internal Revenue (BIR).

(5) In case the CH Operator opts to secure or avail itself of a Service Provider in order to provide and maintain the retirement and separation benefits program for its portworkers, the following criteria should be considered:

i) The Service Provider is listed among the top ten (10) in the industry in terms of net worth as certified by the Office of the Insurance Commission (OIC).

ii) The Service Provider has sufficient fund for the retirement or separation benefits of the portworkers concerned.

iii) The essential features and conditions of PRSF shall be indicated in the agreement between the CH Operator and the Service Provider (copy furnished PPA).

(6) The PRSF, if not assisted by a Service Provider, shall be deposited in trust with a bank acceptable to PPA. All Trust Fund Agreements executed for the purpose of establishing a PRSF shall include the following conditions:

i) The funds should be invested only in government securities.

ii) Purpose of disbursement of the funds shall be exclusively for payment of portworkers retirement and involuntary separation.

(7) The essential features and the terms and conditions shall be contained in the Trust Agreement between the bank and the CH Operator.

(8) Past service benefits shall not be the responsibility of the present CH Operator but shall continue to be the responsibility of the previous CH Operator.

(9) Qualified workers shall be entitled to the retirement benefit under R.A. 7641 in the absence of any individual or Collective Bargaining Agreement, company policy or practice. In case there is such an agreement, policy or practice providing retirement benefit, which is equal, or superior to that which is provided for in R.A. 7641, said agreement, policy or practice shall prevail.

(10) The CH Operator shall furnish PPA a copy of the Trust Agreement or the Contract (Service Provider Company and the CH Operator).

(c) Responsibility of PPA Personnel

(1) The Port Manager, thru the PSD Manager, shall be responsible for the close supervision, monthly monitoring and strict compliance of the PRSF.

(2) It shall be the responsibility of the Port Managers to submit to the AGM for Operations thru the PDO, any CH Operator who fails to establish the PRSF within the stipulated period for

compliance. The Port Managers shall likewise submit quarterly monitoring reports on the status of the maintenance and compliance of PRSF.

9) Labor and Management Relations

(a) Employment and Dismissal of Employees and Workers

The CH Operator shall utilize and employ members of the existing labor force as may be needed in the CH operation subject to the individual screening of the members of the labor force by the CH Operator. The CH Operator agrees to the right of the Authority to conduct a thorough character investigation of all employees and workers of the former and should it be discovered that employees and workers with derogatory records have been employed, the CH Operator shall take appropriate measures in order that their employment shall, after due process, be terminated immediately and to incorporate these conditions in its collective bargaining agreement with the union, if any.

(b) Availability of Sufficient Manpower

The CH Operator binds itself to have available at all times sufficient manpower or labor force necessary to carry out and perform any and/or all of the CH services covered by the permit or contract in accordance with the Vessel Operations Commitment (VOC). In no case, shall loading or unloading of cargoes be considered delayed due to unavailability of gang of workers at any given time except in cases of meritorious circumstances.

(c) Work Schedule

(1) The CH operator shall provide fair and equitable distribution of work, considering the skills of each worker and shall observe the appropriate composition of gangs and agrees to bind itself to provide appropriate manning requirements to meet normal operational demands. The CH Operator shall also provide for a work distribution system of workers so that every worker shall be given his due share of earning his livelihood. The CH Operator shall maintain a record of the workers' rotation schedule.

(2) Except in emergencies, the operator shall not require any worker to work more than twelve (12) hours in a shift that is eight (8) hours regular working hours and four (4) hours overtime.

(3) The CH Operator shall maintain a twenty-four (24) hour work schedule on a two (2) or three (3) shift basis. The said working schedule shall take into account the schedule of arrival and departure of vessels in the port. In ports where accredited labor unions are present, CH Operators shall install appropriate coordination with the union to ascertain that all requests for

deployment of workers by ship owners or representatives shall be met at least two (2) hours before the prescribed start of shift.

(4) All Port Managers shall observe and document trade or business practices in the ports under their PMOs. Such practices involve, particularly, the movement of cargoes from the ports to storage facilities and warehouses of cargo owners, shippers or consignees during vessel and CH operations.

(5) The Port Managers shall submit compliance reports on the 24-hour service and on the trade or business practices (such as refusal to deliver cargoes at night), to include the reasons for such practices and the proposed measures or recommendations to address the same.

(6) Considering that some warehouses of consignees or cargo owners are closed after 5 o'clock in the afternoon and that there are no receiving trucks available during loading or unloading operations, the following measures should be jointly effected by the Authority, the CH Operator, ship owners and consignees:

i) Every vessel shall load or unload her cargo with reasonable dispatch and shall be worked continuously including night and overtime hours as requested by the vessel owner, consignees or as required by PPA.

ii) All cargoes except objectionable or offensive cargo as defined under this Order and valuable cargoes as defined in PPA Administrative Order No. 13-77 which is made part of this Order by reference, should be treated or handled with extra precaution, must be discharged by the CH Operator from the vessel and stored in available spaces in the port determined by the CH Operator and approved by the Authority.

iii) Corresponding storage charges accruing from such cargoes shall be paid by the consignees in accordance with existing regulations on cargoes stored at the port during any of the three (3) shift schedules maintained by the CH Operators.

(d) <u>Proper Manual Handling of Bagged Cargoes</u>

(1) Bagged cereals and other grain products that shall be manually carried by individual dockworkers or stevedore shall be limited to fifty (50) kilograms per sack/bag.

(2) Any bag/sack of cereals and other grain products that weighs more than fifty (50) kilograms shall be handled/carried by at least two (2) dockworkers or stevedores at a time, and in

addition shall be palletized or pre-slung if it weighs sixty (60) kilograms or more.

(e) Uniform and Identification Cards

The CH Operator shall issue identification cards to its employees and workers and provide at least two (2) sets of uniforms in a year.

(f) Prompt Payment of Wages, Overtime, Other Benefits

The CH Operator binds itself to pay promptly, as they fall due, the wages and salaries of all workers and employees, directly or individually, without the intervention whatsoever of any third person. The CH Operator shall keep a daily, weekly, and or monthly payroll signed by the workers and employees indicating therein the number of hours and days of work, and the corresponding payments of wages or salaries received by each and the amount and nature of deductions, if any.

(g) Submission of List of Laborers/Workers – In the interest of security and safety and for purposes of compliance with the provisions of CH Contract or Permit granted and the laws concerning benefits to the workers, the CH Operator shall, upon the effectivity of its Contract or Permit and every year thereafter, submit to the PMO concerned a list of all its employees, workers and laborers.

10) Records, Books of Accounts, Billings, Others

(a) The CH Operator shall, at all times, keep and maintain up-to-date, accurate and detailed books of account, records, billings, inventories and other related records, in accordance with the bookkeeping regulations of the Bureau of Internal Revenue, Commission on Audit and the requirements of the Authority.

(b) In addition to the foregoing obligations of the CH Operator, it shall submit to the Authority appropriate reports on tonnage handled (inbound or outbound and export or import), list of overstaying cargoes, number of vessels serviced, claims filed for cargoes that were lost, undelivered and or damaged and the action taken thereon by the Operator, statement of billings, collection and disbursement, personnel strength and disposition, remittances to SSS, Philhealth and all other obligations due labor under existing laws, regulations and collective agreements, and on such matters as the Authority may deem necessary, and such reports shall be in accordance with the rules and regulations, instructions and/or orders of the Authority and or its duly authorized representatives.

(c) The submission of such reports is without prejudice to the requirement by the Authority for the CH Operator to undertake and implement computerization programs for the CH Operator's port operations and financial transactions, adaptable and consistent with the PPA MIS

Computerization Project. Such computer programs shall include, among others, the functionalities of the Port Operations Management System (POMS), the Account and Finance Management System (AFMS) and other functions implemented under said project.

11) Claims and Liability for Cargo Losses/Damages

(a) Responsibility and Liability for Losses and Damages; Exceptions

(1) The CH Operator shall handle all cargoes diligently and in a skillful, work-man-like and efficient manner. The CH Operator shall be solely responsible and agrees to accept liability and to promptly pay the shipping company, consignees, consignors or other interested party or parties for the loss, damage or non-delivery of cargoes to the extent of the declared value per Bill of Lading after due determination of liability by the parties.

(2) The CH Operator shall not be responsible for the condition of the contents of any package received, nor for the weight nor for any loss, injury or damage of the cargo before or while the goods are being received or remains in the premises of the port, if the loss, injury or damage is caused by force majeure or other causes beyond the CH Operator's control or capacity to prevent or remedy; Provided, that a formal claim together with the necessary copies of bill of lading, invoice, certified packing list and computation arrived at covering the loss, injury or damage or non-delivery of such goods shall have been filed with the CH Operator within fifteen (15) calendar days from date of issuance by the CH Operator of a certificate of non-delivery; Provided, however, that if said CH Operator fails to issue such certification within fifteen (15) calendar days from receipt of a written request by the shipper or consignee or his duly authorized representative or any interested party, said certification shall be deemed to have been issued, and thereafter, the fifteen (15) calendar day period within which to file the claim commence; Provided, finally, that the request for certification of loss shall be made within thirty (30) calendar days from the date of delivery of the last package to the shipper or consignee, without prejudice to the company's internal policy on settlement of claims.

(b) Cargo Claims Arbitration Committee (CCAC)

(1) Constitution and Membership

For the effective, impartial and expeditious settlement of claims, the CCAC is constituted in every Port Management Office as follows:

Chairperson:	-	Port Manager or duly Authorized Representative
Members:	-	Representative of Shipping Company that ships the cargo
	-	Representative of CH Operator
	-	Consignee or Representative who filed the claims

(2) Qualifications of Transitional Members – To ensure that the decisions arrived at by the CCAC are valid and binding, the members of said Committee shall be only those who can officially and legally make commitments for and in behalf of the interest of the group they represent.

(3) Powers of the Committee – The CCAC shall have the following powers and/or responsibilities:

i) To assess and evaluate data, reports and other documents submitted by the parties involved.

ii) To require the appearance of such persons or submission of documents or exhibits, as may be deemed necessary to shed light on the issue or dispute being resolved.

iii) To conduct ocular inspection or survey of cargo or places if necessary.

iv) To maintain an effective recording system.

v) To render decision on the claim.

vi) To process, forward the appeal made to Head Office.

vii) To perform such other duties as may be necessary in the effective discharge of their functions.

(c) Filing of Claims and Procedures for Resolution of Claims

(1) Types of Claims – The different kinds of claims that shall be entertained by the shipping companies, CH Operators or CCAC may be classified, as follows:

i) Loss or damage claim, which may be in the form of pilferage, spillage, or damage, i.e., destruction, decay, breakage, tears, cuts puncture, holes, etc.

ii) Short delivery claim, i.e., when the shipment is not delivered completely to the owner or consignee, but sustain shortage in the number or content of packages.

iii) Short delivery and bad order claims, i.e., a combination of the first two types of claims.

(2) When and Where to File Claim – Within fifteen (15) days from the discovery of loss or damage to or shortage of cargo shipments, the owner, consignee or his duly authorized representative shall file his Claim for Loss or Damage or Non-delivery of Cargo (proposed Form II-I) directly with the shipping company or his agent. Such claims for loss, damage or non-delivery of cargoes shall be supported by the following documents:

i) Machine or certified true copy of the Bill of Lading or Manifest.

ii) Certified copy of the Packing List or Invoice, Tally Sheet.

iii) Delivery Gate Pass or Delivery Receipt, report on Losses and or Damage, Surveys of Bad Order Cargoes.

iv) Other related documents of probative value.

The shipping company or his agent, against whom the claim is filed shall accept or accommodate provisional filing of claims of owner/consignee or his duly authorized representative within the prescribed period, until the complete submission of all necessary documents to support such claims.

If the claim is for non-delivery or damage of the goods, the fifteen (15) day period shall be counted from the date of the issuance by the CH Operator of a certificate of loss, damage or non-delivery of cargoes. If the CH Operator fails to issue such a certificate within fifteen (15) days from the receipt of a written request from the consignee or his agent, the same certificate is deem to have been issued at the end of the fifteen (15) days. Thereafter, the fifteen (15) day period within which to file the claim shall commence.

(3) Claims filed with shipping or CH company – The shipping or CH Operator against whom the claim is filed shall decide or resolve the same within thirty (30) days from receipt thereof. If it admits the claim in whole or in part, its liability shall be settled within seven (7) days from the time the decision or resolution of the claim has been made. Payment shall be made within seven (7) days from the expiration of the thirty (30) day period. If the claim is contested, in whole or in part, the Shipping/CH Company, as the case may be, shall transmit the claim together with the

supporting documents within five (5) days upon resolution or decision disputing said claim or upon the expiration of the thirty (30) day reglamentary period, whichever comes, earlier, to the CCAC, stating the reason(s) or ground(s) for disallowance. Any reason or ground not so stated in the transmittal to the CCAC can no longer be asserted or presented before said Committee in its consideration of the Claim, or in the appeal thereof.

(4) Claims filed with or transmittal to the CCAC - The CCAC, before whom the cargo claim is filed or to whom it is transmitted or who takes cognizance thereof, shall resolve or decide on the claim as expeditiously as possible but in no case shall go beyond forty-five (45) days from receipt of said claim. The party against whom the claim has been decided in whole or in part shall settle his liability or effect payment within seven (7) days from receipt of the decision or resolution thereof, unless an appeal is taken to the PPA Head Office in Manila.

(5) Decision of the CCAC and Appeal Therefrom - In arriving at a decision, the vote of at least two (2) members is required. The Chairperson shall only vote in case of tie.

If no appeal has been taken from the decision of the CCAC per Summary Report of Claim (proposed Form II-m), its decision shall be final, executory and binding upon the parties.

Within five (5) days from receipt of such notices of appeal and position paper, the CCAC shall transmit to the Main Office for review the records of the claim appealed from, consecutively numbered and systematically arranged in one (1) folder. The decision of PPA General Manager thereon shall be final without prejudice to recourse in court in accordance with existing laws and regulations.

12) Prohibitions and Violations on Transfer of CH Contract and Equipment

(a) Against Assignment and Transfer of Contract or Permit

(1) There shall be no assignment, mortgage or transfer directly or indirectly of the contract or permit or any portion thereof, or any undertaking thereunder without the written approval of the Authority and neither shall there be any subletting or leasing of the privileges hereunder granted to the CH Operator.

(2) The transfer, assignment or sale of the rights to any management contract or CH contract shall be charged a Transfer Fee of One Million (P1.0 M) Pesos or Five (5%) percent of the value or consideration for such transfer, assignment or sale, whichever is higher. This policy is designed to discourage indiscriminate transfer of the rights to any CH contract issued by the Authority and ensure that the authority to undertake the

same is confined only to legitimate entities or persons qualified to provide CH services in the ports.

(b) Against Execution of any Chattel Mortgage or Contract or CH Equipment without Prior Notice

Excepting such encumbrances or contracts already existing on the date of effectivity of the contract or permit, the CH Operator shall not execute any chattel mortgage, deed or conveyance or any other contract that may affect, encumber or impose any lien or any of the equipment or machineries used in the CH operations without prior notice to the Authority.

c) Takeover of CH Operations by the Authority

1) Grounds for Takeover CH Operations

(a) Any emergency, such as strikes, lock-out, stoppage of work and other causes of similar nature for the duration of such emergencies.

(b) Violation of any of the terms and conditions of the contract or permit or provisions of law, rules and regulations.

(c) Cancellation, termination or expiration of the contract or permit to operate.

(d) Other cases or violations where the Authority deems that the takeover is warranted in order to protect and/or promote public interest.

2) Grounds for Revocation and Cancellation of Permit or Contract

(a) Failure of the CH Operator without justifiable cause to remit the government share, to pay during the designated paydays to its employees, laborers, stevedoring and dockworkers their just salaries or wages, and or remittances of premiums to SSS, Philhealth and fringe benefits as those obligations fall due.

(b) Overcharging of CH rates or collection of rates other than those prescribed in the CH Operators Contract or Permit.

(c) Failure and/or refusal of the CH Operator to fully comply with its commitments as specified in its submitted Business Plan.

(d) Failure of the CH Operator to provide and maintain in good operating condition the CH, safety and related equipment/gears.

(e) Failure of the CH Operator to attain the committed annual productivity rates as provided in Section 17, b), 7) of this Order.

(f) Failure of the CH Operator to establish, maintain and update the prescribed Portworkers Retirement and Separation Fund (PRSF) workers and employees specified in Section 17, b), 8) of this Order.

(g) Change of control of the company arising from its sale, assignment, transfer or sub-contract in whole or in part, or other disposition of capital stock by the CH Operator without the prior written consent and approval of the Authority.

(h) When the CH Operator's performance is rated or considered "FAILED" in accordance with the Performance Standard and Rating System of the Authority.

(i) Unjustified refusal of the CH Operator to make available its books of accounts and other documents for inspection, examination or audit as provided for in its contract or permit or otherwise to submit to supervision, inspection and/or overseeing by the Authority and/or its duly authorized representatives.

(j) Existence of pilferages of cargoes in excess or one-tenth (1/10) of one (1%) percent of the total value and/or the total volume in metric tons of all cargoes handled monthly due to the unjustified failure of the CH Operator to control such pilferages.

(k) If the CH Operator, through any of its corporate officers and ranking management officials or employees from the rank of section head or higher, by taking advantage of their free access to the port premises and the vessels calling at the port, engage in smuggling and other activities.

(l) If the CH Operator is engaged in any unlawful, illegal or highly immoral business practice, prejudicial to the interest or well-being of the government or it employees or laborers or any such practice which would unduly cause cessation of operations of the CH services.

(m) When the National Security so requires or if the Authority shall find that public interest shall be better served by the cancellation of the contract or permit, determination of the circumstances justifying cancellation on the ground of public interest shall solely rest on the judgment of the Authority. In case of cancellation of the Management Contract, approval of the Board of Directors shall be secured.

3) Notice of Violation or Non-Performance

The Authority shall inform the CH Operator in writing of any violation or non-performance of its commitments or undertaking specified in the Contract, giving the latter up to thirty (30) days from receipt within which to explain such violation. In the event such explanation is not satisfactory to the Authority, the Authority may suspend, cancel or terminate the Contract after due process.

4) Non-Relief from Liability

Any forfeiture or cancellation of the contract or permit shall not relieve the CH Operator from any liability incurred under a contract or permit.

d) Attorney's Fees, Damages and Venue of Court Action.

Should the Authority be constrained to resort to court action to enforce or safeguard its rights and interests under the contract or permit, the operator shall be liable for attorney's fees in the amount equivalent to twenty (20%) percent of the total sum claimed in the complaint, exclusive of other damages and expenses of litigation, but in no case less than One Hundred Thousand (P100,000.00) Pesos. Venue of all court actions arising out of the contract or permit shall be laid solely and exclusively in the proper court in the City of Manila.

e) Issuance of Holdover Authority (HOA).

A CH Operator with expired contract or permit shall be issued holdover authority (HOA) in accordance with the Authority's existing delegation of authorities for a period of up to one (1) year from the date of its contract or permit expiration or its latest "holdover authority" subject to the following conditions:

1) The CH Operator concerned shall have no accounts payable to PPA prior to the issuance of a HOA as certified by the Port Manager of the PMO concerned.

2) The government share on the gross income of the CH Operator based on the existing guidelines relative thereto shall be continuously collected or remitted to the Authority during the period of the HOA.

3) The CH Operator shall comply with all the terms and conditions of the expired previous CH contract or permit, as well as applicable relevant PPA policies, rules and regulations properly monitored and reported by the PMO concerned.

4) The HOA issued shall not be misconstrued as a renewal of CH contract or permit to operate.

5) The HOA is not a CH contract or permit and can be terminated at any time in order to protect and promote public interest.

18. ***Monthly Gross Income Report of CH Operators in Government Ports.***

Submission of subject reports shall be in accordance with the following guidelines:

a) All CH Operators shall submit to the PMO covering their jurisdiction, their Monthly Report of Gross Income duly certified by the Finance Officer and the President or General Manager of the concerned CH Operator.

b) The PMOs shall prepare monthly, a summary of said reports in the suggested Form II-n. The Port Manager shall certify the report and the same shall be

submitted to the Office of the AGM for Operations, Attention: the Manager, Port Operations and Services Department (POSD), through the Port District Office (PDO) concerned. As indicated in the report format, information to be submitted shall include the following:

1) The names of the CH Operators who submitted the report.

2) The actual gross income earned by each CH Operator from providing CH services.

3) The gross income of each CH Operator shall indicate the amount of income generated per source of income from CH operations (i.e., arrastre, stevedoring, porterage, etc.) and the scheme of government sharing whether fixed/variable fee or percentage (include the rate).

4) Remarks or comments indicating the PMO evaluation on the gross income (e.g. reason for decline, reason for increase, etc.)

5) Government share remitted by the CH Operator to PPA based on the income generated.

c) This requirement shall apply to all ports whether the scheme of collection of government share is direct, daily remittance or monthly percentage-basis or fixed fee/variable fee scheme.

d) The PMO shall submit the report within the first week of the succeeding month.

e) The POSD shall evaluate or analyze and consolidate all the reports from the PDOs or PMOs and accordingly submit to the General Manager through the AGM for Operations, the Summary of Monthly CH Gross Income Reports in the suggested Form II-o.

19. *Cargo Handling Compliance Report (CHCR).*

a) A monthly CHCR (suggested Form II-p) on the extent of compliance of the CH Operator/Permittee to the terms and conditions of its contract or permit and to the performance standards as prescribed by PPA shall be prepared or accomplished in four (4) copies by the Terminal Supervisor (TS) directly supervising the CH Operator and approved by the Port Manager.

1) The TS shall indicate compliance of the CH Operator according to the following scale:

FC	-	Full compliance
PC	-	Partial compliance
NC	-	Non-compliance
NA	-	Not applicable

2) Remarks Column shall state the reason(s) for partial or non-compliance of CH Operator with the contract, permit or performance standards.

3) The TS shall indicate his recommendation in each area where evaluation is partially complied (PC), not complied (NC) or not applicable (NA) to further improve the performance of the CH Operator.

4) The report shall be discussed by the TS with the CH Operator.

5) Three (3) copies of the report, duly signed by the TS and CH Operator shall be submitted to the Port Manager who shall indicate corresponding action taken by the PMO in the box provided in the report form.

6) The PMO shall forward two (2) copies to the PDO, one for the TSD and one for the ICS. These should be received by the PDO on or before the 15th day of the succeeding month.

7) The PDO/Technical Services Division (TSD) shall act or monitor action taken on the deficiencies indicated in CHC Report. Where evaluation is PC, NC or NA, the PDO/TSD shall take note of improvements in succeeding CHCR. Where there is none, the PDO shall properly call the attention of the PMO and TMO concerned.

b) A quarterly Summary Status of CHCR shall be prepared by the PDO on all CH contract or permit holders within its port district.

1) The PDO/TSD shall make a tally list of all its terminals and dates CHCRS were received.

2) The PDO/TSD shall submit to the AGM for Operations, cc ICD, Summary Status of CHCR (suggested Form II-q).

20. *Annual Reporting System (ARS) for CH Operators*.

a) All CH Operators shall accomplish and submit yearly to the Authority the Annual Report in accordance with the instructions and format required in the ARS Manual (ARS Form available at the PMO concerned).

1) All forms in the Annual Report shall be legibly (preferably typewritten) and accurately filled-up, duly certified as true and correct by the President and or General Manager of the CH Operator.

2) It shall be submitted to PPA in three (3) copies through the Port Manager on or before the 15th of March following the end of every calendar year. A copy shall be retained each at the PMO and PDO while the original shall be transmitted to the Head Office.

b) All Annual Reports shall be thoroughly reviewed, evaluated and used as tool by the PMO and PDO concerned in evaluating the operations and performance of all CH Operators under its jurisdiction in addition to other audit and operations reports.

1) The PMO and PDO Evaluation Reports containing the comments and recommendations of the PMO and PDO shall be attached to the Annual

Reports and submitted to the General Manager thru the AGM for Operations, on or before the end of May every year.

c) Failure of the CH Operator to submit the Annual Report as required without justifiable reason shall be a violation of the terms and conditions of the Operator's contract or permit granted by PPA.

d) The Port Managers and PDO Managers shall strictly monitor the submission of the Annual Reports and the corresponding Evaluation Reports on time.

ARTICLE III

GUIDELINES IN THE CONDUCT OF PUBLIC BIDDING

21. ***Policy on Public Bidding* of Cargo Handling Services.** - As a general rule, the award of a management contract for CH services shall be conducted through a transparent and competitive public bidding.

22. Governing Principles in Public Bidding of Cargo Handling Services.

a) Transparency in the bidding process and in the implementation of CH contracts.

b) Competitiveness by extending equal opportunity to enable contracting parties who are eligible and qualified to participate in the public bidding.

c) Streamlined bidding process that will uniformly apply to all bidding process.

d) System of accountability where both the public officials directly or indirectly involved in the bidding process, as well as in the implementation of the CH contracts and the private parties that deal with the Authority are, when warranted by circumstances, investigated and held liable for their actions.

e) Public monitoring of the bidding process and the implementation of awarded CH contracts with the end in view of guaranteeing that such contracts are awarded pursuant to this Order and that all these contracts are performed strictly to specifications.

23. When to Conduct Public Bidding.

a) The conduct of the public bidding for CH services shall be done at least six (6) months before the expiration of the contract.

b) For contracts to be awarded in ports without authorized CH Operators or for new port facilities, the bidding shall be conducted immediately.

24. Bids and Awards Committee (BAC).

a) Constitution of the BAC.

The BAC shall be constituted for the conduct of the public bidding with the following members or as the General Manager may determine.

Regular Members:

Chairperson	- District Manager
Vice Chairperson	- Port Manager (PMO having jurisdiction of the port subject to bidding)
Member	- Manager, Legal Affairs Division, PDO
Provisional Members:	- Manager, Port Services Division, PMO - Manager, Resource Management Division, PMO
Observers:	- PCASO representative - Representative from shipping - COA Resident Auditor or representative

b) The BAC shall have at least five (5), but not more than seven (7) members.

25. Functions of the BAC.

a) The BAC shall have the following functions.:

1) Prepare the Terms of Reference, Instructions to Bidders, draft CH contract and related bid documents.

2) Advertise and/or post the Invitation to Apply for Eligibility and to Bid.

3) Conduct pre-procurement and pre-bid conference/s.

4) Determine the eligibility of prospective bidders.

5) Receive bids and conduct the evaluation of bids.

6) Conduct evaluation and comparison of bids

7) Undertake post qualification proceedings.

8) Resolve motions for reconsideration.

9) Recommend award of contracts to the General Manager.

10) Perform such related functions as may be necessary, including the creation of a Technical Working Group (TWG), if necessary, from a pool of technical, financial and/or legal experts to assist in the bidding, particularly in the eligibility screening, evaluation of bids and post qualification.

b) **Quorum during Meetings.**

A majority of the total BAC composition shall constitute a quorum during a BAC meeting, provided the presence of the Chairperson or Vice Chairperson shall be required.

c) **Meetings.**

1) The Chairperson, or in his absence, the Vice Chairperson, shall preside at all BAC meetings. The decision of at least a majority of those members present at a meeting in which there is a quorum shall be valid and binding as an act of the BAC.

2) The Chairperson or in his absence, the Vice Chairperson, shall vote in case of a tie.

26. BAC Observers.

a) To enhance the transparency of the competitive bidding, the BAC shall, in all the stages of the selection process, invite, in addition to the COA representative, at least two (2) observers to sit in its proceedings.

b) At least one (1) representative shall come from a duly recognized private group in a sector relevant to the public bidding of CH services and another one (1) from a non-government organization.

c) The observers shall come from an organization, duly registered with the Securities and Exchange Commission (SEC), and should meet the following criteria:

1) Knowledge, experience or expertise in cargo handling.

2) Absence of direct or indirect interest in CH contract to be bid out.

d) Observers will be informed at least two (2) days before the stages of bidding to which observers shall be invited:

1) Pre-bid conferences

2) Opening of bids

3) Post-qualification

4) Contract awarding

5) Special meetings

The absence of observers will not nullify the BAC proceedings, provided, that they have been duly invited in writing.

e) **The observers shall have the following responsibilities:**

1) Preparation of report either jointly or separately indicating their observations on the bidding activity/BAC compliance with the provisions of Article III of this Order for submission to the General Manager, copy furnished the BAC Chairperson. Upon request, the BAC shall furnish them a copy of:

(a) Minutes of BAC Meetings;

(b) Abstract of Bids;

(c) Post-qualification Summary Report.

2) Sign the abstract of bids and post-qualification report, if amenable to the bidding activity/results of the post-qualification.

27. BAC Secretariat and its Functions.

The Chairperson of the BAC shall designate a Secretariat with the following functions:

a) Provide administrative support to the BAC.

b) Organize and make all necessary arrangements for BAC meetings.

c) Attend BAC meetings as Secretary.

d) Prepare the "Minutes" of the BAC meetings.

e) Take custody of all bidding documents and be responsible for the sale and distribution of bidding documents to interested bidders.

f) Assist in managing the bidding process.

g) Monitor bidding activities or milestones for proper reporting and assist in managing the bidding process.

h) Record all its proceedings of the bidding and the corresponding report of proceeding to be submitted with the draft CH contract to concerned Offices of the Authority.

i) Serve as the central channel of communications for the BAC.

28. Preparation of Bid Documents.

a) The bidding documents shall be prepared by the BAC members concerned, following the generic forms provided in this Compendium and subject to the review of the Office of the AGM for Operations, as follows:

1) Invitation to Apply for Eligibility and to Bid (Annex III-A).

2) Instructions to Bidders (ITB), to include eligibility criteria, bid evaluation and post evaluation, as well as the date, time and place of the pre-bid conference, and submission of bids (Annex III-B).

3) Bid Data Sheet (Annex III-C)

4) Terms of Reference (TOR) (Annex III-D).

5) Pro-Forma Contract for the Operations of CH Services (Annex III-E).

6) Bid Security Surety Bond/Bank Guarantee (Annex III-F).

7) Sample Forms for the Bidding of CH Services (Annex III-G, containing sample bid documents).

b) The bidding documents shall clearly and adequately define, among others: (a) objectives and scope; (b) contract duration; (c) obligation and duties of the winning bidder; and (d) minimum eligibility requirements.

c) The BAC may require additional document requirements or specifications, where applicable and necessary, to complete the information required for the bidders to prepare and submit their respective bids. The bidding documents, as amended shall subsequently form an integral part of the CH contract.

d) The specifications and other terms in the bidding documents shall reflect the minimum requirements or specifications required to meet the needs of the BAC in clear and unambiguous terms.

e) Prospective bidders shall be given ample time to examine the bidding documents and to prepare their respective bids. To provide ample time, the concerned BAC shall promptly issue the bidding documents for the CH contract to be bid at the time the Invitation to Apply for Eligibility and to Bid is first advertised. Bidders may be asked to pay for the bidding documents to recover the cost of the preparation and development. The BAC shall issue the bidding documents upon the payment of the corresponding cost thereof to the collecting officer of the Authority.

f) It shall be the sole responsibility of the prospective bidder to determine and to satisfy itself by such means as it considers necessary or desirable as to all matters pertaining to the CH services to be bid.

g) The Authority shall not assume any responsibility regarding erroneous interpretations or conclusions by the prospective or eligible bidder out of the data furnished by the Authority.

29. <u>Invitation to Apply for Eligibility and to Bid.</u>

a) <u>Pre-procurement Conference.</u>

Prior to the advertisement or issuance of the Invitation to Apply for Eligibility and to Bid, the BAC shall call for a pre-procurement conference to assess the readiness of the bidding to include, among others, the Terms of Reference, adherence of bidding documents and other related bidding matters. The BAC,

the Secretariat, other officials of the Authority and representative of the end-user shall attend the conference.

b) <u>Advertising and Posting of the Invitation to Apply for Eligibility and to Bid</u>.

1) The Invitation to Apply for Eligibility shall provide the prospective bidders, among others, the following information:

   (a) Brief description of the CH services of the port.

   (b) A general statement on the criteria to be used for the eligibility check, the examination and evaluation of bids and post-qualification.

   (c) The date, time and place of the deadline for the submission and receipt of the eligibility requirements, the pre-bid conferences if any, the submission and receipt of bids and the opening of bids.

   (d) The period of availability of the bidding documents, the place where the bidding documents may be secured and the price of the bidding documents.

   (e) The name, address, telephone/cell phone number, facsimile number, e-mail and website addresses of the Authority (PDO or PMO) and the designated contact person/s.

   (f) Such other necessary information deemed relevant and necessary by the BAC.

2) Except as otherwise provided, the Invitation to Apply for Eligibility and to Bid shall be;

   (a) advertised at least twice within a maximum period of fourteen (14) calendar days, with a minimum of six (6) calendar days in between publications in a newspaper of general circulation;

   (b) posted at any conspicuous place/s in the premises of the PDO and PMO and in the port subject to bidding; and

   (c) posted continuously in the website of the PDO and PMO during the maximum period of fourteen (14) calendar days, if website facilities are available.

c) <u>Pre-Bid Conference/s.</u>

1) The pre-bid conference/s shall be held before the deadline for the submission and receipt of the bidding documents.

2) The pre-bid conference shall discuss, among others, matters relative to the technical and financial bids, eligibility requirements, and other relevant bidding matters.

3) Any statement made at the pre-bid conference shall not modify the terms of the bidding documents, unless such statement is specifically identified in writing as an amendment and issued as a Supplemental or Bid Bulletin.

4) Supplemental/Bid Bulletin:

(a) Requests for clarification/s on any part of the bidding documents or for an interpretation must be in writing and submitted to the BAC at least ten (10) calendar days before the deadline set for the submission and receipt of bids.

(b) The BAC shall respond to the request by issuing a Supplemental/Bid Bulletin, duly signed by the BAC Chairperson to be made available to all those who have properly secured the bidding documents at least seven (7) calendar days before the deadline for the submission and receipt of bids.

d) Eligible Bidders.

The following shall be allowed to participate in the bidding of CH services:

1) Duly licensed Filipino citizens or sole proprietorships.

2) Partnerships duly organized under the laws of the Philippines.

3) Cooperatives duly registered with the Cooperative Development Authority (CDA).

4) Corporations duly organized under the laws of the Philippines.

5) Persons or entities forming themselves into a Joint Venture that intend to be jointly and severally responsible or liable for a particular contract.

30. Submission, Receipt and Opening of Eligibility Requirements.

a) The eligibility requirements shall be submitted to the BAC in the form prescribed by the BAC in a sealed eligibility envelope and marked as such. The eligibility envelope of the prospective bidder shall be submitted on or before the deadline specified in the Invitation to Apply for Eligibility and to Bid and shall be opened before the dates of the pre-bid conference and bid opening to determine eligibility of prospective bidders, who shall then be allowed to acquire or purchase the relevant bidding documents from the procuring entity. The documents submitted in satisfaction of the eligibility requirements shall be made under oath by the prospective bidder or by his duly authorized representative certifying to the correctness of the statements made and the completeness and authenticity of the documents submitted.

b) The BAC shall determine if each prospective bidder is to participate in the bidding by examining the completeness of each prospective bidder's eligibility requirements or statements against a checklist of requirements, using a non-discriminatory *"PASS"* or *"FAIL"* criteria, as stated in the Invitation to Apply for

Eligibility and to Bid, and shall be determined as either eligible or ineligible. If a prospective bidder submits the specific eligibility document required, it shall be rated *"PASSED"* for that particular requirement. In this regard, failure to submit a requirement or an incomplete or patently insufficient submission, shall be considered *"FAILED"* for the particular eligibility requirement concerned. If a prospective bidder is rated *"PASSED"* for all the eligibility requirements, it shall be considered eligible to participate in the bidding, and the BAC shall mark the set of eligibility requirements for the prospective bidder concerned as *"ELIGIBLE"*. If a prospective bidder is rated *"FAILED"* in any of the eligibility requirements, it shall be considered ineligible to participate in the bidding, and the BAC shall mark the set of eligibility documents of the prospective bidder concerned as *"INELIGIBLE"*. In either case, the markings shall be countersigned by the BAC chairperson or duly designated authority.

c) The BAC shall inform the eligible prospective bidder that it has been found eligible to participate in the bidding. On the other hand, the BAC shall inform an ineligible prospective bidder that it has been found ineligible to participate in the bidding, and the grounds for its ineligibility. Those found ineligible have seven (7) calendar days upon written notice, or if present at the time of opening of eligibility requirements, upon verbal notification, within which to file a request for reconsideration with the BAC; provided, however, that the BAC shall decide on the request for reconsideration within seven (7) calendar days from receipt thereof. The BAC may request a prospective bidder to clarify its eligibility documents, if it is deemed necessary. The BAC shall not be allowed to receive, hold and/or open the bids of ineligible prospective bidders; provided, however that if an ineligible prospective bidder signifies his intent to file a motion for reconsideration, the BAC shall hold the eligibility documents of the said ineligible prospective bidder until such time that the motion for reconsideration has been resolved.

d) Notwithstanding the eligibility of a prospective bidder, the BAC reserves the right to review its qualifications at any stage of the procurement process if it has reasonable grounds to believe that a misrepresentation has been made by the said prospective bidder, or that there has been a change in the prospective bidder's capability to undertake the CH operations from the time it submitted its eligibility requirements. Should such review uncover any misrepresentation made in the eligibility requirements, statements or documents, or any changes in the situation of the prospective bidder which will affect the capability of the bidder to undertake such CH operations so that it fails the present eligibility criteria, the BAC shall consider the said prospective bidder as ineligible and shall disqualify it from submitting a bid or from obtaining an award of CH contract.

e) The determination of eligibility shall be based on the submission of the following documents to the BAC, utilizing the forms prepared and prescribed by the BAC and using the criteria prescribed for this purpose:

Legal Documents

1) DTI Business Name Registration or SEC Registration Certificate, valid and current Mayor's permit/municipal license or in its absence, proof of tender of payment of local fees; and Taxpayer's Identification Number (TIN).

2) Statement of prospective bidder that it is not "blacklisted" or barred to join the bidding or if no CH contract has been terminated or cancelled for cause.

3) Other appropriate documents, clearances and licenses that may be required by the Authority.

Technical Documents:

1) Business Profile of the CH Company.

2) Certified true copies of the Articles of Incorporation and By-Laws or Articles of Partnership or Cooperation.

3) List of stockholders or shareholders owning at least five (5%) percent or more of the company or cooperative.

4) PPA certification of no outstanding accounts, taken from the PMO having jurisdiction over the port subject to bidding or PPA Head Office.

Financial Documents:

1) Audited financial statements, stamped "Received" by BIR or its duly accredited and authorized institutions for the immediately preceding calendar year showing, among others, total and current assets and liabilities.

2) For newly organized companies, the Authority may prescribe a different set of requirements to show financial capability to bid and operate the CH services of the port.

31. Submission and Receipt of Technical and Financial Proposals.

a) Eligible bidders shall submit their bids thru their duly authorized officer or representative in the prescribed bid forms, including their annexes on or before the specified deadline and in two (2) separate sealed envelopes which shall be submitted simultaneously. The first envelope shall contain the technical proposal and the second envelope the financial proposal, with the name of the bidder in capital letters addressed to the BAC.

b) The Technical Proposal shall contain the following technical information and documents:

1) Bid Security as to form, amount and validity period.

2) Authority of signing official.

3) Affidavit of site inspection of the port.

4) Certification under oath from the bidder of its compliance with existing labor laws and standards.

5) Tax clearance from the BIR as well as a copy of its income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments made thereon.

6) The Business Plan with all its components, as provided for in Sec. II-17, (b), (5) of this Order.

7) Certified list of equipment, either owned, leased or under purchase agreement, for ready deployment and utilization for CH operations of the port.

8) Personnel information sheets of principal officers and key supervisory personnel of the CH Operator.

9) A certified list of employees and port workers for deployment at the start of operations.

10) Description of the company's CH and port related experiences.

c) The Financial Proposal shall contain the following financial information and documents:

1) Commitment of government share on the gross income from the CH services, to be remitted to the Authority for the duration of the contract.

2) Financial computation showing the financial analysis of its projected gross income and the corresponding government share to the Authority for the duration of the Contract.

32. <u>Modification and Withdrawal of Bids.</u>

a) A bidder may modify its bid, provided this is done before the deadline for the submission and receipt of bids. Where a bidder modifies its bid, it shall not be allowed to retrieve its original bid but only be allowed to send another bid properly sealed, identified and linked to its original bid and marked as "Modification" thereof and stamped "Received" by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the bidder unopened.

b) A bidder, thru a letter, may withdraw its bid before the deadline for the receipt of bids. Withdrawal of bids after the applicable deadline shall be subject to appropriate sanctions as prescribed by the BAC. A bidder may also express its intention not to participate in the bidding thru a letter, which should be received and stamped by the BAC before the deadline for the receipt of bids. A bidder that withdraws its bid shall not be allowed to submit another bid, directly or indirectly, for the same bidding.

33. **Bid Security.**

a) All bids shall be accompanied by a Bid Security, payable to the Authority as a guarantee that the successful bidder shall, within ten (10) calendar days from receipt of the Notice of Award (NOA), enter into a contract with the Authority.

Failure to enclose the required Bid Security in the first envelope that contains the technical proposal, in the form and amount prescribed herein shall automatically disqualify the bidder concerned.

b) The Bid Security should be valid for the duration of the bidding and shall be in the amount at least equal to a percentage of the total gross income from CH operations of the immediately preceding year in the subject port based on the Authority's records, in any of the following forms: cash, certified check, cashier's check or manager's check.

The required amount of the foregoing forms of bid security shall be one (1%) percent of total gross income of the preceding year and stated in Philippine Peso (PhP) in the bidding documents.

c) No bid security shall be returned to the bidders after the opening of bids and before contract signing, except to those that failed to comply with any of the requirements to be submitted in the first bid envelope of the bids. Bid securities shall be returned only after the winning bidder has signed the contract and furnished the Performance Bond/Security, but in no case later than the expiration of the Bid Security validity period.

34. **Bid Opening.**

The BAC shall open the bids at the time, date and place specified in the Invitation to Apply and To Bid and the bidding documents. The bidders or their duly authorized representatives may attend the opening of bids. All BAC members or their duly authorized representatives who are present during the bid opening, shall initial every page of the original copies of all bids received and opened. The "Minutes" of the bid opening shall be made available to the concerned parties upon written request and payment of a specified fee to recover cost of materials.

35. **Preliminary Examination of Bids.**

a) The BAC shall open the Technical Proposals of eligible bidders in public to determine each bidder's compliance with the documents required to be submitted for the first component of the bid. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present in the Technical Proposal, using a non-discretionary *"PASS"* or *"FAIL"* criteria. If a bidder submits the required document, it shall be rated *"PASSED"* for that particular requirement. In this regard, failure to submit a requirement or an incomplete or patently insufficient submission shall be considered *"FAILED"* for the particular requirement concerned. In case one or more of the above required documents in the Technical Proposal of a particular bid is missing, incomplete, or patently insufficient, the BAC shall rate the bid concerned as *"FAILED"* and immediately

return to the bidder concerned its Financial Proposal unopened. Otherwise, the BAC shall rate the said Technical Proposal as *"PASSED"*.

b) Immediately after determining compliance with the requirements of the Technical Proposal, the BAC shall forthwith open the Financial Proposal of each remaining eligible bidder whose Technical Proposal was rated "*PASSED"*. The Financial Proposal of each complying bidder shall be opened within the same day. In case one or more of the requirements in the Financial Proposal of a particular bid is missing, incomplete or patently insufficient, the BAC shall rate the bid concerned as "*FAILED"*. Only bids that are determined to contain all the bid requirements for both components shall be rated "*PASSED"* and shall immediately be considered for evaluation and comparison.

c) A bidder determined as "*FAILED"* has seven (7) calendar days upon written notice, or if present at the time of bid opening, upon verbal notification, within which to file a request for reconsideration with the BAC; provided, however, that the request for reconsideration shall not be granted if it is established that the finding of failure is due to fault of the bidder concerned; provided, further, that the BAC shall decide on the request for reconsideration within seven (7) calendar days from receipt thereof. If a failed bidder signifies his intent to file a motion for reconsideration, in the case of a bidder who fails in the Technical Proposal, the BAC shall hold the Financial Proposal of said failed bidder unopened and duly sealed until such time that the motion for reconsideration has been resolved.

d) The Financial Proposal of each complying bidder whose first bid envelope was rated "*PASSED*" shall be opened within the same day.

36. <u>Detailed Evaluation and Comparison of Bids.</u>

a) For the evaluation of proposals, numerical ratings shall be used. The BAC shall assign numerical points for the factors determined and established for the Technical Proposal and Financial Proposal.

b) Depending on the nature and requirements of the CH services obtaining in the port, the corresponding weights for the bidding are as follows:

1) Technical Proposal: between sixty (60%) to eighty-five (85%) percent

2) Financial Proposal: between fifteen (15%) to forty (40%) percent

c) The BAC shall assign numerical points based on the determined weights for the Technical Proposal and Financial Proposal, based on the requirements of CH services subject to bidding.

d) The Technical Proposal shall be evaluated first and only the Financial Proposals of the bidders who meet the minimum technical rating shall be opened and evaluated.

e) The BAC shall rank the bidders in descending order based on the combined numerical ratings of the assigned weights of their technical and financial proposals and identify the highest rated bid.

f) The bids shall be subject to post qualification to determine its truthfulness as stated in their bids. If the bidder is established to be post-qualified, it shall then be considered the winning bidder.

g) Members of the BAC, including its staff and personnel, as well as its Secretariat and TWG, are prohibited from making or accepting any kind of communication with any bidder regarding the evaluation of their bids until the issuance of the Notice of Award.

h) After all bids have been received, opened, examined, evaluated and ranked, the BAC shall prepare the corresponding Abstract of Bids. All members of the BAC shall sign the Abstract of Bids and attach thereto all the bids with their corresponding Bid Securities and the minutes or proceedings of the bidding. The Abstract of Bids shall contain the following:

1) Name of the port subject to bidding and its location.

2) Time, date and place of bid opening.

3) Names of bidders and their corresponding total numerical ratings of the assigned weights of the Technical and Financial Proposals, arranged from highest to lowest, the amount of Bid Security and the name of the issuing entity, if applicable.

37. Post Qualification.

Objective and Process of Post Qualification.

a) The BAC shall conduct and accomplish a post qualification of the bidder with the highest rated bid, to determine whether the bidder concerned complies with all the requirements and conditions for eligibility, the bidding requirements, as specified in the bidding documents, in which case the said bidder's bid shall be considered and declared as the highest rated responsive bid.

b) The post qualification shall validate and ascertain all statements made and documents submitted by the bidder with the highest rated bid, among others, the following:

1) Legal Requirements – To verify, validate and ascertain licenses and agreements submitted by the bidder and the fact that he has not been blacklisted as a cargo handling operator.

2) Technical Requirements – To determine compliance with the requirements of the bidding documents and the contract, to include, among others:

(a) Verification and validation of the bidder's stated competence and experience and those of the key officials and personnel to operate and manage the cargo handling services.

(b) Verification of availability and commitment, and/or inspection of CH equipment and gears owned or to be leased by the bidder.

(c) Ascertainment of sufficiency of the bid security, as to type, amount, form and wording and the validity period.

3) Financial Requirements – To verify, validate and ascertain the financial proposal, sufficiency of capital, to include credit line with a bank, if any.

c) If BAC determines that the winning bidder passes all the criteria for post qualification, it shall be declared as the most responsive bidder.

d) If, however, the BAC determines that the first-ranked bidder fails the criteria for post qualification, it shall immediately notify the said bidder in writing of its post disqualification, and notwithstanding any pending request for reconsideration thereof, the BAC shall initiate and complete the same post qualification process on the bidder with the second highest rated bid. If the second-ranked bidder passes the post qualification, and provided that the request for reconsideration of the first-ranked bidder has been denied, the second-ranked bidder shall qualify as the winning bidder.

e) If the second-ranked bidder, however, fails the post qualification, the procedure for post-qualification shall be repeated for the bidder with the next highest rated bid, and so on until the highest rated responsive bid, as the case may be, is determined for award of a contract.

38. <u>Failure of Bidding.</u>

a) The BAC shall declare the bidding a failure and conduct a rebidding with re-advertisement and/or posting, after a re-evaluation of the terms, conditions and specifications of the first bidding, when:

1) No bidder submits a letter of intent (LOI) or no bids are received;

2) All prospective bidders are declared ineligible;

3) All bids fail to comply with the bid requirements or failed post-qualification;

4) The winning bidder refuses, without justifiable cause to accept the award of the contract; or

5) Unavoidable reasons resulting to non-completion of the selection process not attributable to the participating cargo handling applicant-operators.

b) The BAC shall modify the terms, conditions and specifications in the first bidding documents, when necessary. All bidders who have initially responded to the Invitation to Apply for Eligibility and To Bid and have been declared eligible in the first bidding shall be allowed to submit new bids. The BAC shall observe the same process and set the new bidding timetable according to the same rules following the first bidding.

c) Should there occur a second failure of bidding, the Authority may enter into a negotiated contract.

d) Should the next qualified bidders refuse to negotiate with PPA, an entirely new bidding process shall be conducted.

39. Single Rated and Responsive Bid Submission.

A single rated and responsive bid shall be considered for award if the process falls under any of the following circumstances:

a) if after advertisement, only one (1) prospective bidder submits a Letter of Intent (LOI) and or applies for eligibility check, in accordance with the provisions of this Order, and meets the eligibility requirements or criteria, after which it submits a bid which is found to be responsive to the bidding requirements;

b) if after advertisement, more than one (1) prospective bidder submits an LOI and or applies for eligibility check, in accordance with the provisions of this Order, but only one bidder meets the eligibility requirements or criteria, after which it submits a bid which is found to be responsive to the bidding requirements; or

c) if after the eligibility check, more than one (1) bidder meets the eligibility requirements, but only one (1) bidder submits a bid, and its bid is found to be responsive to the bidding requirements.

In all instances, the Authority shall ensure that the highest calculated technical and financial bid is the most advantageous to the government.

40. Award of the Cargo Handling Contract.

a) Notice of Award.

Notice of Award of cargo handling contract shall be sent to the winning bidder after approval by the General Manager or the PPA Board, specifically requiring the submission of the cargo handling Operators undertaking pertaining to the submission of its performance bond within thirty (30) calendar days from the signing of the contract. The BAC shall notify all losing bidders of its decision.

b) Contract Award.

1) Contract shall be awarded to the winning bidder.

2) The following documents shall form part of the cargo handling contract:

   (a) Invitation to Apply for Eligibility and To Bid.

   (b) Bidding Documents as required in the Instruction to Bidders particularly BIR Clearance and latest Income Tax Return (ITR) duly filed and paid.

   (c) Addenda and/or Supplemental/Bid Bulletin, if any.

   (d) Bid form including all the documents/statements contained in the winning bidder's two bidding envelopes, as annexes.

(e) Eligibility requirements, documents and/or statements.

(f) Notice of Award of cargo handling Contract and winning bidder's "Conforme" thereto.

(g) Other contract documents that may be required by existing laws and/or the Authority.

c) Contract Signing.

The winning bidder or its duly authorized representative shall formally sign the Contract for CH Services with the Authority and submit all documentary requirements to perfect the contract.

d) Approval of CH Contract by Higher Authority other than PPA.

When further approval of higher authority is required, the Authority or his duly authorized representative shall submit to the Office concerned said CH contract with all documentary requirements for approval or disapproval.

e) Notice to Proceed.

The Authority shall issue the Notice to Proceed, together with a copy or copies of the approved CH contract to the successful bidder within seven (7) calendar days from date of approval. All notices called for by the terms of the contract shall be effective only at the time of receipt thereof by the successful bidder. If an effectivity date is provided in the Notice to Proceed, all notices called for by the terms of the approved contract shall be effective only from such effectivity.

f) Performance Bond.

To guarantee the faithful performance of its obligations under the contract prepared in accordance with the bidding documents, the CH Operator within thirty (30) calendar days from the signing of the CH contract, put up a performance bond/security in the amount prescribed by the Authority and the contract to be secured from the Government Service Insurance System (GSIS) General Insurance Fund, subject to the requirements prescribed by this Order.

g) Failure to Enter into Contract and Post Performance Bond.

1) If the winning bidder fails, refuses or is unable to make good its bid to enter into a contract with the Authority or post the required performance bond within the period stipulated in the contract and the bidding documents, the bid security shall be forfeited and the appropriate sanctions shall be imposed, except where the failure, refusal or inability is thru no fault of the winning bidder.

2) In case of failure, refusal or inability of the winning bidder to enter into contract and post the required performance bond, the BAC shall disqualify the said bidder and shall initiate and complete the post qualification process of the bidder with the second highest rated bid. However, if no bidder

passes post- qualification, the BAC shall declare the bidding a failure and conduct a rebidding with re-advertisement. Should there occur another failure of bidding after the conduct of the rebidding, the Authority may enter into a negotiated bid.

3) In case of failure, refusal or inability of the bidder with the single rated responsive bid to enter into contract and post the required performance bond, as provided in this Order, the BAC shall disqualify the said bidder, and shall declare the bidding a failure and conduct a rebidding with re-advertisement and/or posting. Should there occur another failure of bidding after the conduct of the contract rebidding, the Authority may enter into a negotiated CH contract.

41. Reservation Clause.

The Authority reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract in the following situations:

a) If there is prima facie evidence of collusion between appropriate public officers or employees of the Authority, or between the BAC and any of the bidders, of if the collusion is between or among the bidders themselves, or between a bidder and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition.

b) If the BAC is found to have failed in following the prescribed bidding procedures,

c) For any justifiable and reasonable ground where the awarding of the CH contract will not redound to the benefit of the Government.

42. Protest Mechanism.

a) Protests on Decisions of BAC.

Decisions of the BAC on the bidding conducted may be protested in writing to the Authority: Provided, however, that a prior motion for reconsideration has been filed by the party concerned within the reglamentary periods specified in this Order. The protest must be filed within seven (7) working days from receipt by the party concerned of the resolution of the BAC denying its motion for reconsideration. A protest may be made by filing a verified position paper with the Authority, accompanied by the payment of a non-refundable protest fee. The protest fee shall be in an amount equivalent to no less than one percent (1%) of the total government (PPA) share on CH Operators' gross income from CH operations for the preceeding year, at the port/area subject to bidding.

b) The verified position paper shall contain the following information.:

1) Name of bidder.

2) Office address of the bidder.

3) Brief statement of facts.

4) Issue to be resolved.

5) Other matters and information pertinent and relevant for the proper resolution of the protest.

The position paper is verified by an affidavit that the affiant has read and understood the contents thereof and that the allegations therein are true and correct of his personal knowledge or based on authentic records. An unverified position paper shall be considered unsigned, produces no legal effect and results to the outright dismissal of the protest.

c) Resolution of Protests.

The protests shall be resolved primarily on the basis of the records of the BAC. Subject to the provisions of existing laws and the Authority to approve contracts, the decisions of the Authority shall be final up to the limit of the Authority's contract approving authority.

d) Non-Interruption of the Bidding Process.

In no case shall any protest taken from any decision treated in this Order stay or delay the bidding process: Provided that protests must first be resolved before any award is made.

e) Resort to Regular Courts; Certiorari.

Court action may be resorted to only after the protests contemplated in this Order shall have been completed and resolved by the General Manager with finality. The Regional Trial Court of Manila shall have jurisdiction over final decisions of the Authority. Rule 65 of the 1997 Rules of Civil Procedure shall govern said court actions.

ARTICLE IV

GUIDELINES IN THE CONDUCT OF COMPARATIVE EVALUATION

43. *Comparative Evaluation as Alternative Method for Bidding*.

A comparative evaluation (CE) for CH services shall be conducted as an alternative method for public bidding in order to promote economy in the selection of CH Operators for low-volume ports. Ports with average annual cargo volume that did not exceed thirty thousand (30,000) tonnes for the past five (5) years and the operations is primarily manual shall be subject to CE and the contract or permit to operate shall not be more than three (3) years.

a) When to Conduct Comparative Evaluation.

1) A CE shall be conducted at least three (3) months before the expiration of a contract or permit, provided that the conduct of such evaluation has been approved by the Office of the AGM for Operations (OAGMO).

2) For permit to be awarded in a port without authorized CH Operator, the CE shall be conducted immediately.

b) <u>Constitution of a Comparative Selection and Evaluation Committee (COSEC).</u>

The COSEC shall be constituted in the PMO concerned with the following members, or as may be determined by the AGM for Operations, as follows:

Chairperson	- Port Manager
Vice Chairperson	- Manager, Legal Affairs Div. PDO
Members	- Manager, Port Services Division, PMO
	- Manager, Resource Management Div., PMO
Observer	- COA Auditor of the PMO
	- Private Sector Representative (from shipping or association of cargo owners/consignees/ shippers within the PMO or TMO)

c) <u>Designation of a COSEC Secretariat</u>.

The Chairperson shall designate and constitute a COSEC Secretariat to assist in carrying the task and functions of the COSEC and keep all records of the proceedings of the CE.

d) <u>Duties and Functions of COSEC</u>.

The COSEC shall perform the following:

1) Prepare the Terms of Reference (TOR), forms and other documents required for the comparative evaluation using the TOR and forms as guide prescribed in Article III, Conduct of Public Bidding of this Order.

2) Advertise the Invitation to Apply for Eligibility and To Participate in local newspapers and post in conspicuous places in the PMO or TMO concerned.

3) Determine the eligibility of interested CH Operators.

4) Receive and conduct evaluation of the sealed applications.

5) Undertake post qualification proceedings.

6) Records all its proceedings of the CE process and the corresponding report to be submitted with the draft CH contract or permit to concerned offices of the Authority.

7) Perform other related necessary functions in the conduct of the CE.

e) **Procedures for the Conduct of a Comparative Evaluation.**

The COSEC shall:

1) Invite interested CH Operators for eligibility by proper publication in local newspapers for at least two (2) times within two (2) weeks and post appropriate announcements in conspicuous places in the PMO, Terminal Management Office (TMO) and in the port subject to the selection process for a period of two (2) weeks.

2) Conduct eligibility check on interested CH Operators.

3) Provide corresponding forms to eligible applicants after payment of the prescribed fees.

4) Receive required documents and conduct evaluation of the application within the prescribed time.

5) Conduct post evaluation of the winning applicant.

6) Recommend the winning applicant to the AGM for Operations, thru the District Manager.

7) Prepare the corresponding CH contract or permit, including all the attachments.

8) Notify the winning CH Operator and the losing applicants of the result of CE.

9) Whenever applicable and appropriate, use as reference the guidelines provided in Article III, Guidelines for the Conduct of Public Bidding.

ARTICLE V

GUIDELINES IN THE AWARD OF CARGO HANDLING CONTRACT THRU NEGOTIATION/RENEWAL

44. ***Renewal or Negotiation in Granting CH Contract.***

a) **Requirements for Renewal of CH Contract.**

1) Application for Renewal

2) CH Performance

(a) Performance audit conducted by PDO-ICS with at least "Very Satisfactory" rating during the second half of the contract term.

(b) Evaluation of the CH Operator's performance for the same period using the "CH Compliance Report" (CHCR) conducted by the PMO.

The PMO and PDO shall have conducted the latest review and evaluation of the performance of the CH Operator (applicant for renewal) within the second semester of the second to the last year of the contract period.

The Office of the AGM for Operations shall review the foregoing performance evaluations accordingly.

3) Business Plan – a documentary requirement for a renewal contract, as provided for in Art. II, Section 17 (b) (5) of this Order to be submitted with the application for renewal.

4) No Outstanding Accounts with PPA – the CH Operator shall have no outstanding obligations with the PMO concerned at the time of the award of the renewal contract without prejudice to contested accounts/accounts paid under protest.

5) BIR Tax Clearance – the CHO shall submit a tax clearance from the Bureau of Internal Revenue (BIR) to prove full and timely payment of taxes that shall include a copy of their latest income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments made.

6) Portworkers' Retirement and Separation Fund – availability of the PRSF for implementation at any given time during the renewal contract term.

7) Maintenance, Cleanliness and Orderliness of the Port and its Facilities.

8) Compliance with PPA Rules and Regulations.

9) Endorsement by the Philippine Chamber of Arrastre and Stevedoring Operators (PCASO).

b) Mechanics for Renewal of Contract.

1) Time Frame of application and evaluation period for each renewal activity:

(a)	Request of CHO for renewal	- up to the 1st Q of the last year of the CH contract period.
(b)	PMO Evaluation	- up to 2 months from receipt of application
(c)	PDO Evaluation	- up to 1 month from receipt of PMO Evaluation Report
(d)	POSD	- up to 1 month from receipt of PDO Evaluation Report
(e)	LSD	- up to 1 month from receipt of POSD Evaluation Report
(f)	OAGMO Action	-

(g) OGM Action, if necessary -

(h) PPA Board Action, if necessary -

2) The PMO and PDO shall evaluate the renewal application with all its pertinent requirements and the new Business Plan.

3) The PMO and PDO shall endorse and recommend the grant of contracts of qualified CH Operators to Management or to the PPA Board.

4) The Office of the AGM for Operations shall review the renewal applications and if warranted, recommend approval of renewal contract.

5) The Authority shall award the corresponding contract, subject to compliance of all pertinent and appropriate requirements for the award in accordance with provisions of this Order.

c) Review and Evaluation of the CH Operator's Performance.

1) The PMO shall monitor and evaluate the CH Operator's performance on a regular basis. In addition, the PDO shall conduct regular performance audits. Pursuant to the Annual Reporting System of the Authority, the CH Operator shall, likewise, submit an annual report to the Authority for evaluation.

2) The PMO and PDO shall submit to the Office of the AGM for Operations (OAGMO) a report of significant findings or non-compliance of contract terms and conditions and commitments in the Business Plan.

3) The OAGMO shall immediately inform the CH Operator of any adverse findings giving it a maximum of six (6) months within which to rectify them, otherwise, the contract shall be subjected to termination process. In such case, the Authority may immediately take over the CH services and, thereafter, conduct a public bidding to select a new operator.

4) During the validity of the renewal contract, the Authority shall exercise its visitorial powers to determine compliance by the CH Operators with its contractual commitments and obligations.

d) Evaluation Procedures and Documentary Requirements.

1) Evaluation by PMO

(a) Applications for renewal contract shall be initially received by the PMO concerned. The PMO shall collate all documents to include the result of the performance audits during the second half of the contract term and the monitoring of the CH Operator's performance based on the "CH Compliance Reports".

(b) The PMO shall validate the data and information in the Business Plan, which are used as basis for the preparation and the commitments of the CH Operator.

(c) The documentary requirements for a renewal application shall be those contained in the "Checklist of Requirements for Renewal CH Contract" (suggested Form V-a).

(d) The Port Manager shall certify the veracity of the information and data gathered (suggested Form V-b). The certification shall state that:

(1) The Business Plan has been reviewed and the commitments were properly validated.

(2) An ocular inspection of the applicant's existing equipment, gears and facilities was conducted and the same are sufficient for the first year of the renewed contract.

(3) The relevant documents listed in the "Evaluation Checklist for Renewal Contract" (suggested Form V-a) were examined and analyzed particularly the submitted Business Plan, audit reports, CHCR summary reports and consecutively numbered.

(4) Each and every page of all application documents is duly signed over printed name of the PMO evaluator.

2) Evaluation by PDO

(a) The PDO, thru the PSD Manager and the LAD Manager, shall evaluate the application as submitted by the PMO, using the same "Evaluation Checklist and Procedures on Application for Renewal of CH Contract" (suggested Form V-c), initially prepared by the PMO.

(b) The PDO shall conduct a public consultation with concerned stakeholders to discuss the proposed award of the contract and solicit reactions to such award.

(c) A draft contract shall be prepared as a documentation requirement of the proposed contract by the PDO.

(d) The PDO shall prepare a Joint Memorandum, (suggested Form V-d), for the evaluation and specific recommendation/s and properly signed by the concerned PSD and LAD Managers and the District Manager.

3) Review by the Office of the AGM for Operations (OAGMO)

(a) The OAGMO, thru the POSD, shall review and evaluate the award of the proposed contract.

(b) The POSD shall prepare the "Cargo Handling Operator's Information/Data Sheet" (suggested Form V-e),

(c) The Legal Services Department (LSD) shall, likewise, review the legality of the terms and conditions of the proposed contract and prepare the corresponding legal certification on the review conducted.

(d) The AGM for Operations, when warranted, shall submit the proposed contract to the General Manager or the PPA Board for appropriate action.

(e) After approval, the contract shall be forwarded to the PDO and PMO concerned for release to the CH Operator.

ARTICLE VI

PENAL PROVISIONS

45. *Penalties*.

a) Any person who violates any of the provisions of this Order or any of the rules and regulations issued or promulgated by the Authority shall be punished by imprisonment for not less than one (1) day but not more than six (6) years, and pay a fine of not less than One Hundred Thousand (P100,000.00) pesos. If the offender is a government official or employee he shall, in addition to imprisonment and fine, be perpetually disqualified to hold any public office. If the offender is a juridical person, the penalty of imprisonment and fine shall be imposed upon its Chief Executive Officer or General Manager, representative or employee thereof responsible for the violation.

b) Any CH contract or permit to operate CH or related services, which may have been issued by the Authority in accordance with Presidential Decree No. 857 or rules and regulations, shall be deemed withdrawn or revoked upon conviction of the holder thereof.

c) The Authority shall have the power to exact reasonable administrative fines in such specific amounts and for such specific violations arising out of the use of the port, as prescribed in the rules and regulations of the Authority. The following fines shall be imposed for each violation as indicated hereunder:

1) Vessel allowing loading or unloading by CH Operator not duly authorized by the Authority, a fine not exceeding Five Thousand (P5,000.00) Pesos.

2) Vessel loading gasoline at a place other than that designated by the regulations, a fine not exceeding One Thousand (P1,000.00) Pesos.

3) CH Operator shifting cargo in the port or authorizing withdrawal or entry of cargo in port for stacking without clearance from the Authority, a fine not exceeding Two Thousand (P2,000.00) Pesos.

ARTICLE VII

FINAL PROVISIONS

46. ***Repealing Clause.***

This Order repeals the PPA regulations and issuances on CH operations, listed in Annex IV of this Order. Any part or provisions of other existing regulations on CH operations contrary to or inconsistent with the provisions of this Order are likewise repealed accordingly.

47. ***Separability Clause.***

If for any reason, any section of this Compendium of Regulations on Cargo Handling Operations is declared to be invalid, the other provisions hereof shall not be affected by such declaration.

48. ***Amendatory Clause.***

This Order may be subject to appropriate amendments by the Authority as the need arises after the effectivity of this Order.

49. ***Effectivity.***

This Order shall take effect fifteen (15) calendar days from its publication in a newspaper of general circulation or the Official Gazette and a copy submitted to the UP Law Center.

ATTY. OSCAR M. SEVILLA
General Manager

Published in the Official Gazette - April 24, 2006
Vol 102, No. 17

Effectivity Date - May 9, 2006

LIST OF ANNEXES AND FORMS

Article II- Management and Operations of CH Services

Annex II-A Transfer of Inbound Containers under Shipping Lines Custody
II-B Transfer of Outbound Containers under Shipping Lines Custody
II-C Release of Inbound Containers under Shipping Lines Guaranty
II-D Acceptance of Outbound Containers under Shipping Lines Guaranty
II-E Transfer of Containers under Shipping Lines Guaranty Received at One Pier but for Loading at another Pier
II-F Receiving of Containers Transferred from Another Pier for Loading
II-G Notice to Consignee/Owner of Overstaying Cargoes
II-H Notice of Sale of Overstaying/Abandoned Cargoes
II-I Bid Tender
II-J Abstract of Bid

Form II-a Authority to Load Inflammable Liquid & Dangerous Cargo
II-b Letter-request for Handling of Dangerous Cargo
II-c Handling Permit for Dangerous Cargo
II-d Dangerous Cargo List
II-e Weighing Order
II-f Weighing Request
II-g Weight Summary Report
II-h Vessel Operations Commitment (VOC)
II-i Post Vessel Operations Evaluation Report (PVOER)
II-j Monthly Productivity Summary Report (MPSR)
II-k Semi-Annual Productivity Summary Report
II-l Claim for Loss or Damage or Non-Delivery of Cargoes
II-m Summary Report of Claim
II-n Summary of Monthly Gross Income Report of CH Operators (by PMO)
II-o Summary of Monthly CH Gross Income Reports (by OAGMO)
II-p Cargo Handling Compliance Report (CHCR)
II-q Summary Status of Compliance with the CHC Reports

Articles III and IV- Guidelines in the Conduct of Public Bidding and Comparative Evaluation for CH Services

Annex III-A Invitation to Apply for Eligibility and to Bid for CH Services
Annex III-B Instruction to Bidders
Annex III-C Bid Data Sheet
Annex III-D Terms of Reference (TOR) for Bidding
Annex III-E Pro-Forma of Contract for the Operations of CH Services
Annex III-F Bid Security (Form, Amount and Validity)
Annex III-G Sample Forms for the Bidding/Comparative Evaluation of CH Services

Article V – Guidelines in the Award of CH Contract thru Negotiation/Renewal

Form V-a Checklist of Requirements for Renewal of CH Contract
Form V-b Certification of Port Manager on Evaluation of Application
Form V-c Evaluation Checklist and Procedure on Application for Renewal of Contract
Form V-d Port District Office (PDO) Joint Memorandum
Form V-e CH Operator's Information/Data Sheet

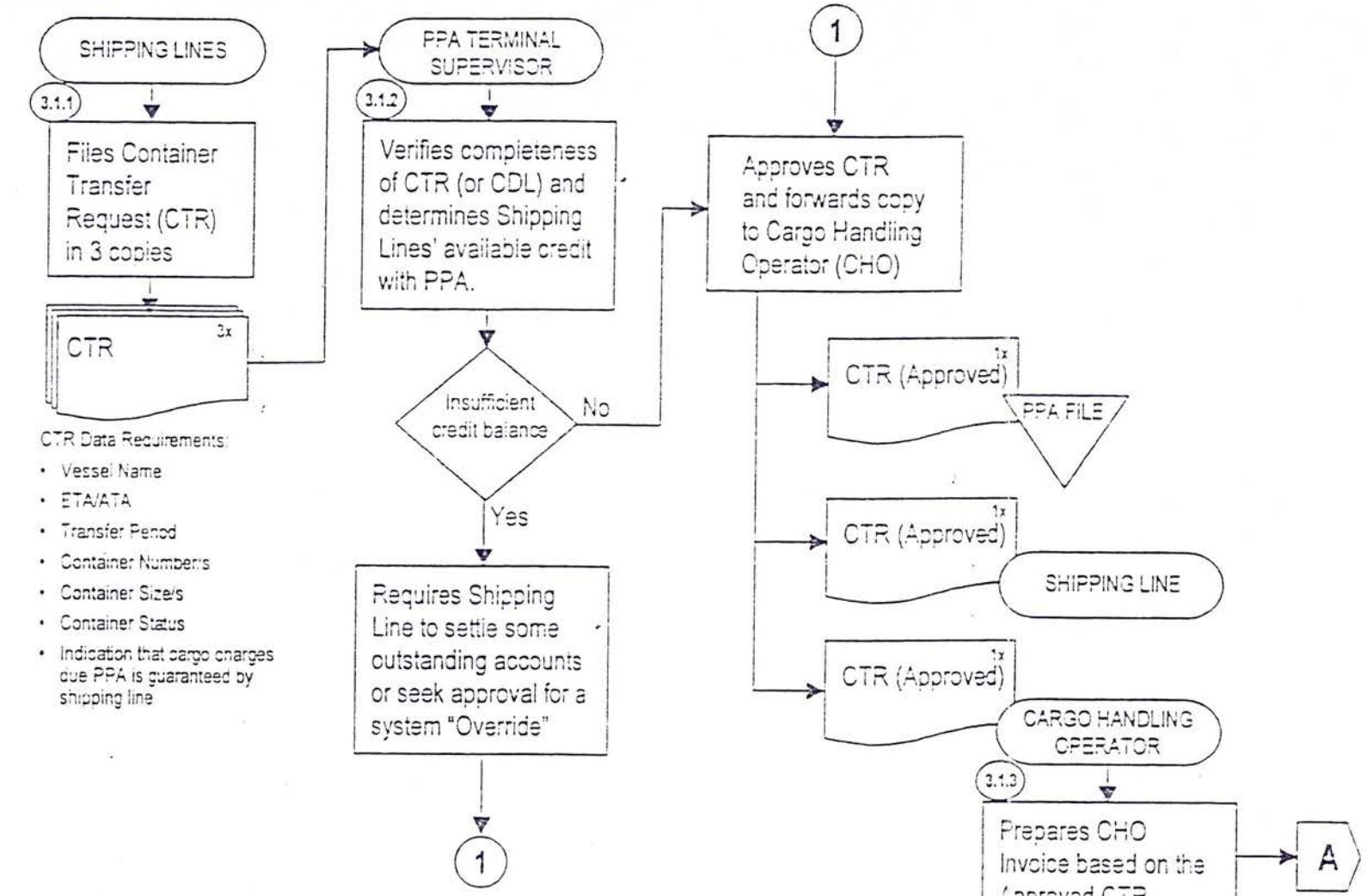
Article VII – Final Provisions

Annex VII List of PPA Regulations and Issuances on CH Operations (Repealed by this Order)

References

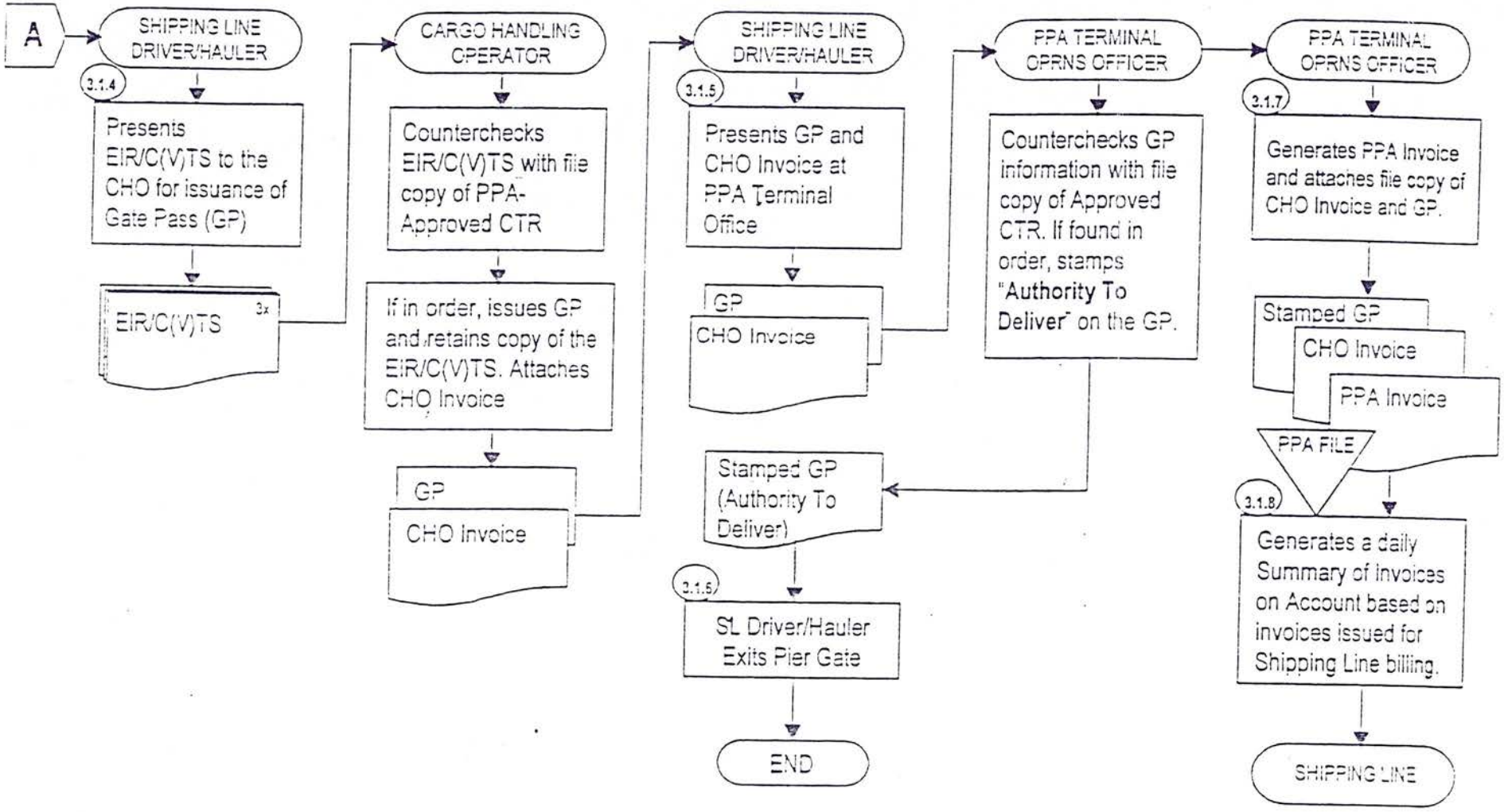
Annex VIII List of PPA Issuances and References of the Compendium of Regulations on CH Operations

TRANSFER OF INBOUND CONTAINERS UNDER SHIPPING LINES CUSTODY

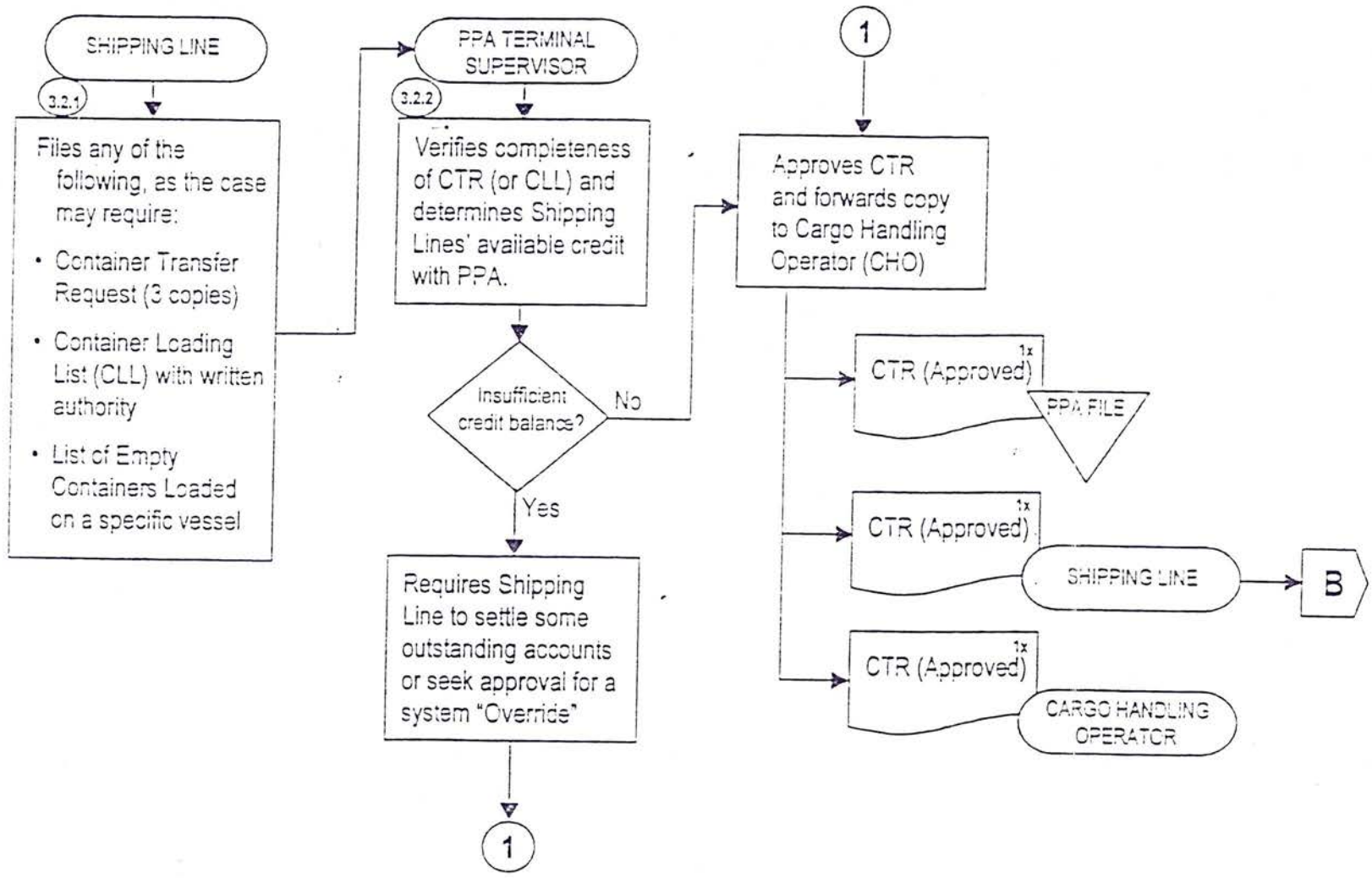


TRANSFER OF INBOUND CONTAINERS UNDER SHIPPING LINES CUSTODY

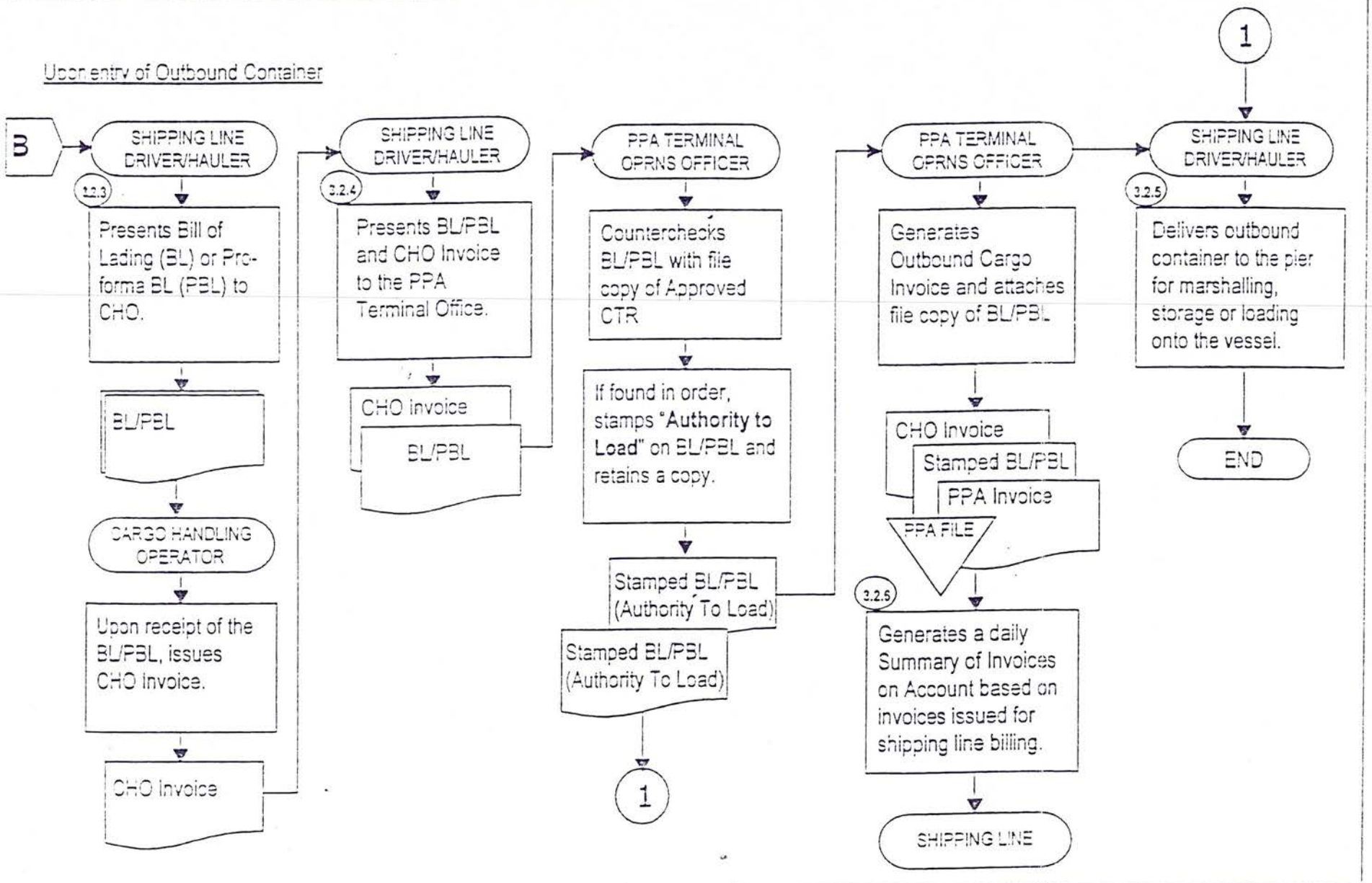
During transfer of Inbound Container



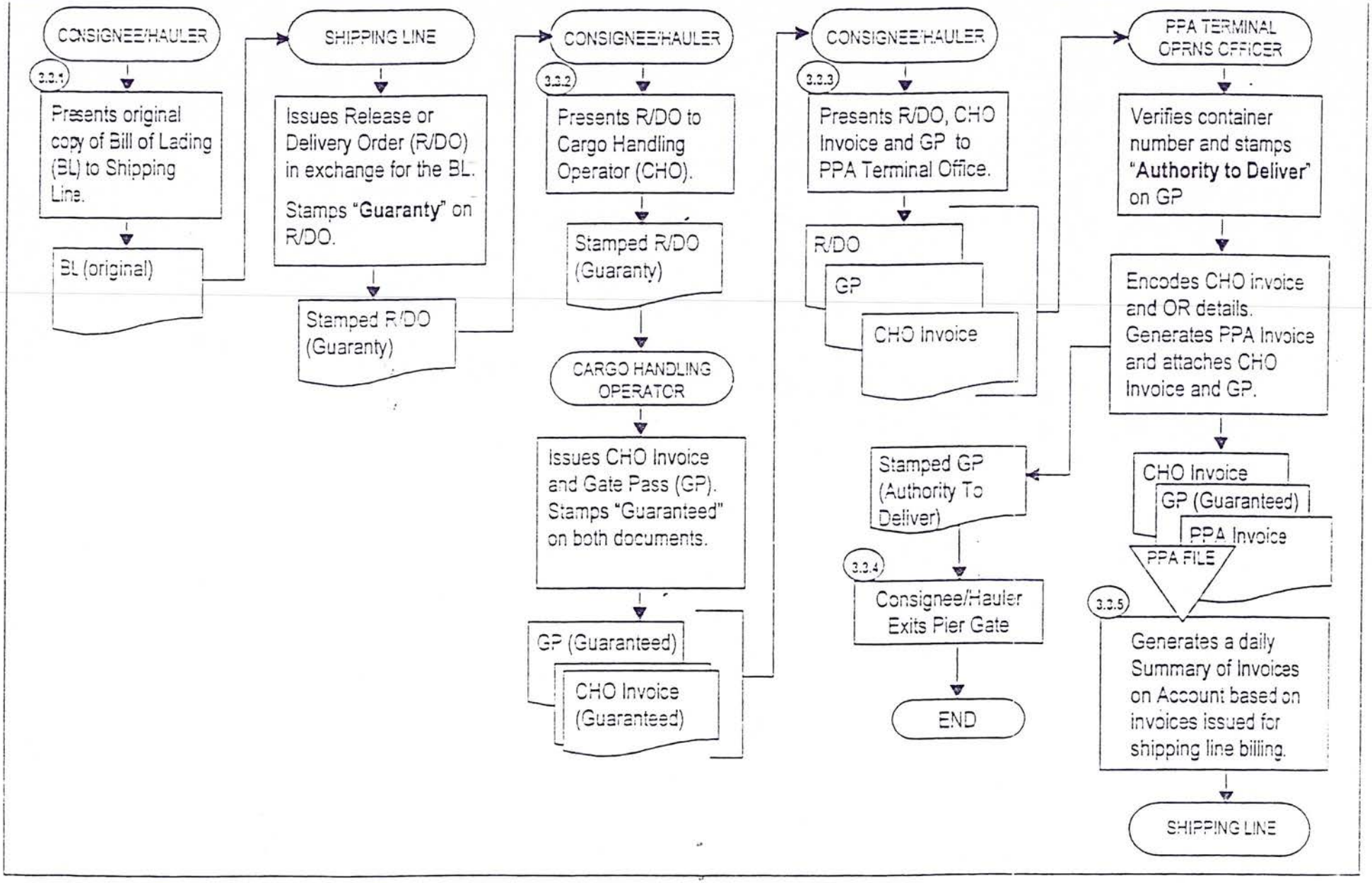
TRANSFER OF OUTBOUND CONTAINERS UNDER SHIPPING LINES CUSTODY



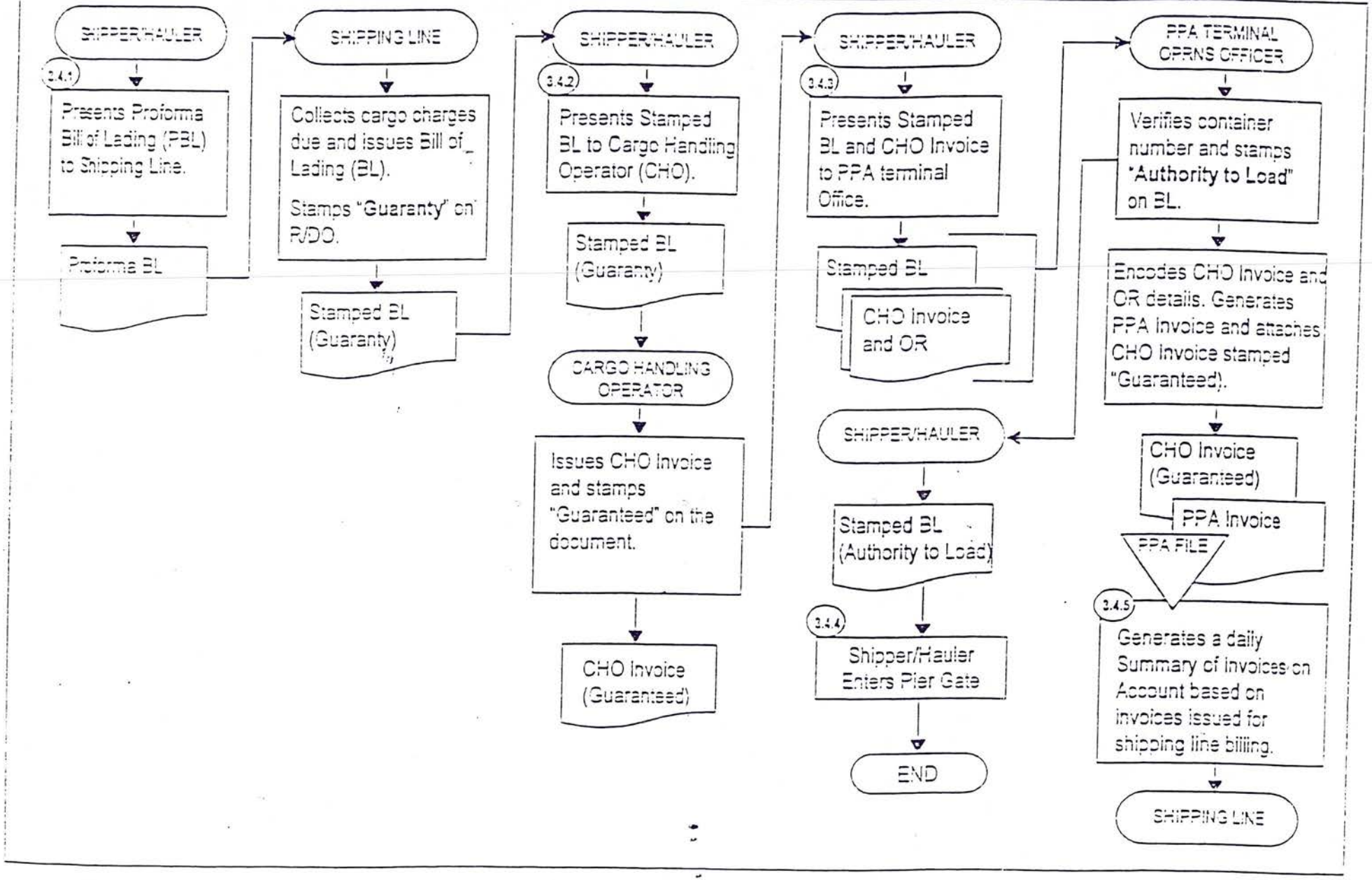
TRANSFER OF OUTBOUND CONTAINERS UNDER SHIPPING LINES CUSTODY



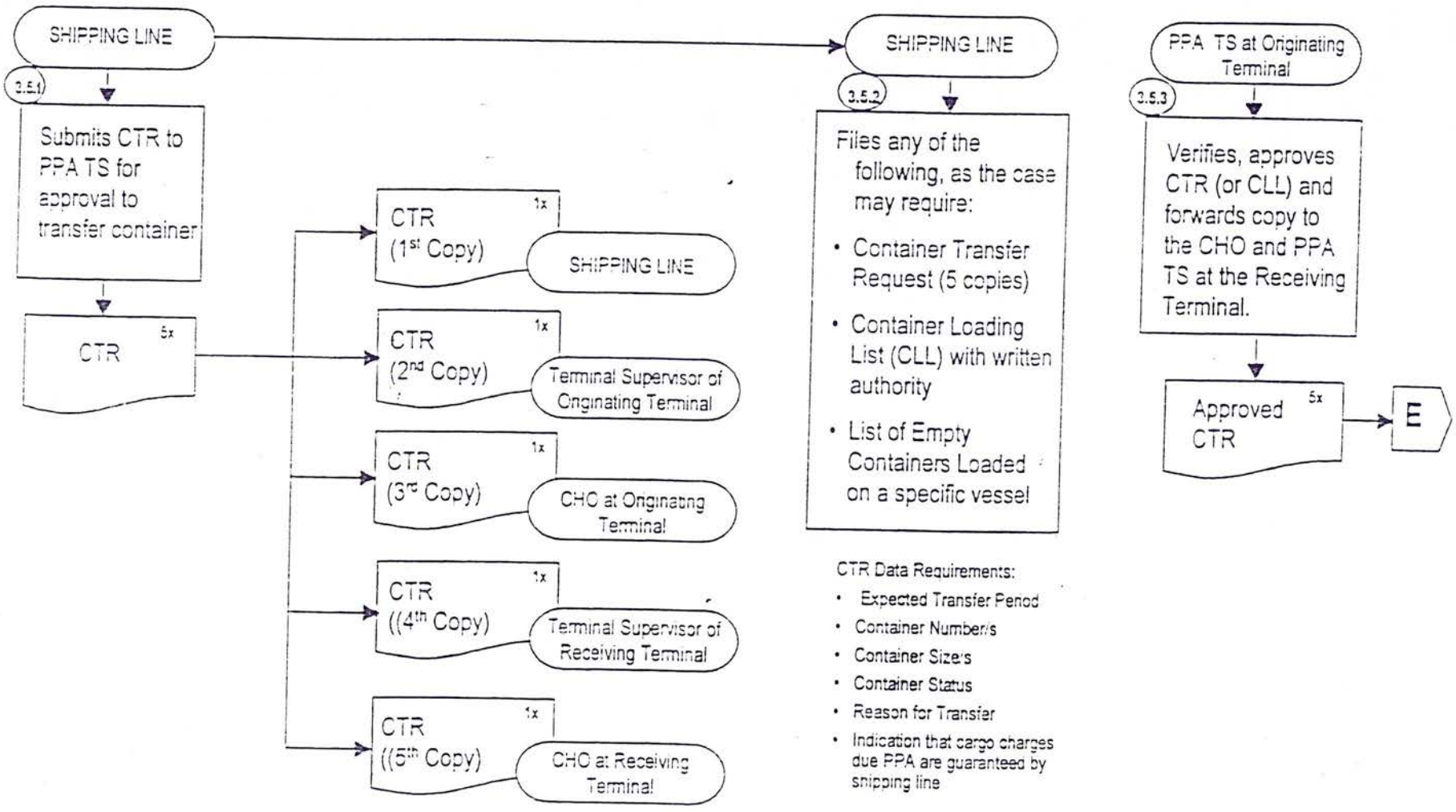
RELEASE OF INBOUND CONTAINERS UNDER SHIPPING LINES GUARANTY



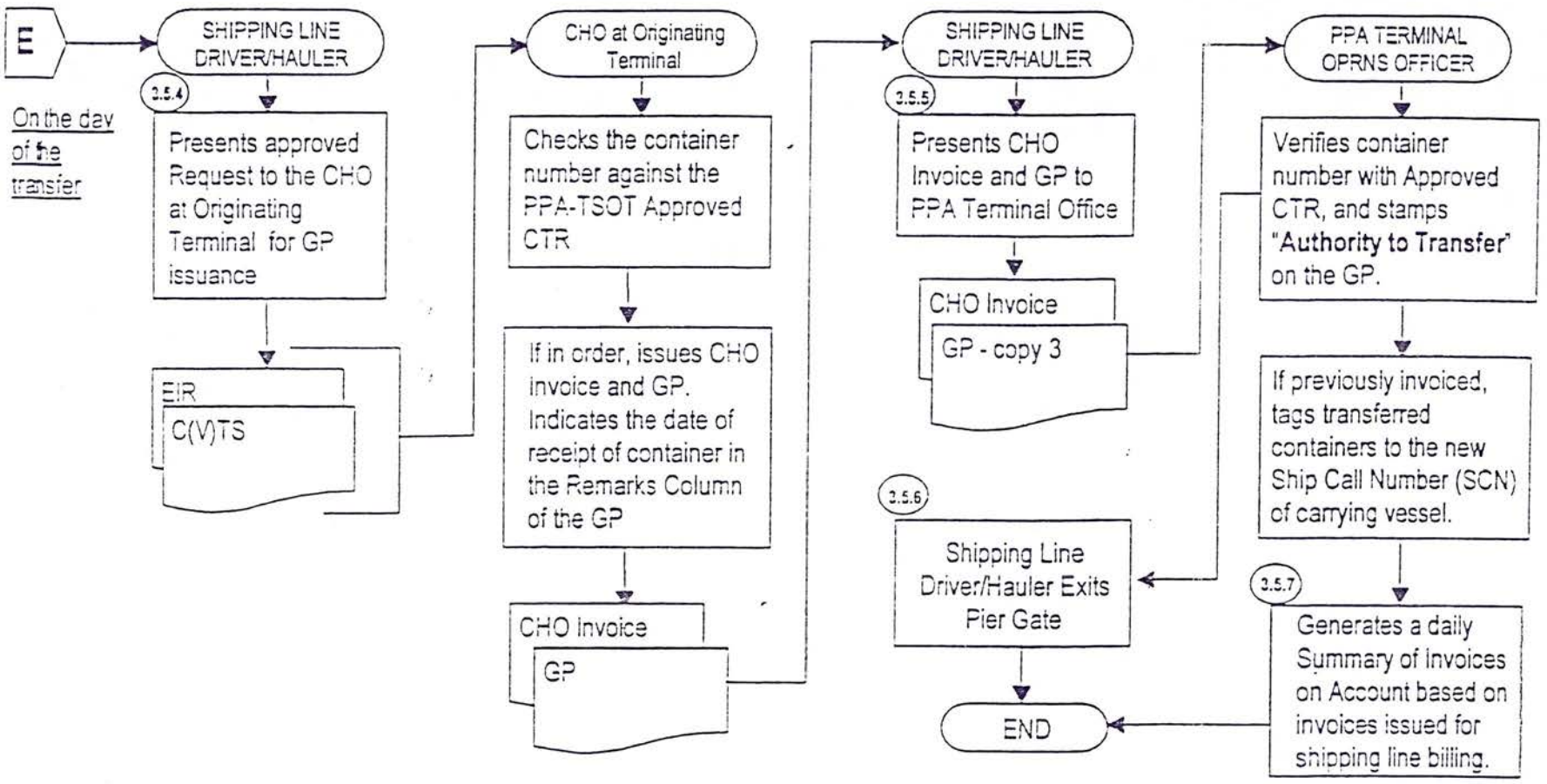
ACCEPTANCE OF OUTBOUND CONTAINERS UNDER SHIPPING LINES GUARANTY



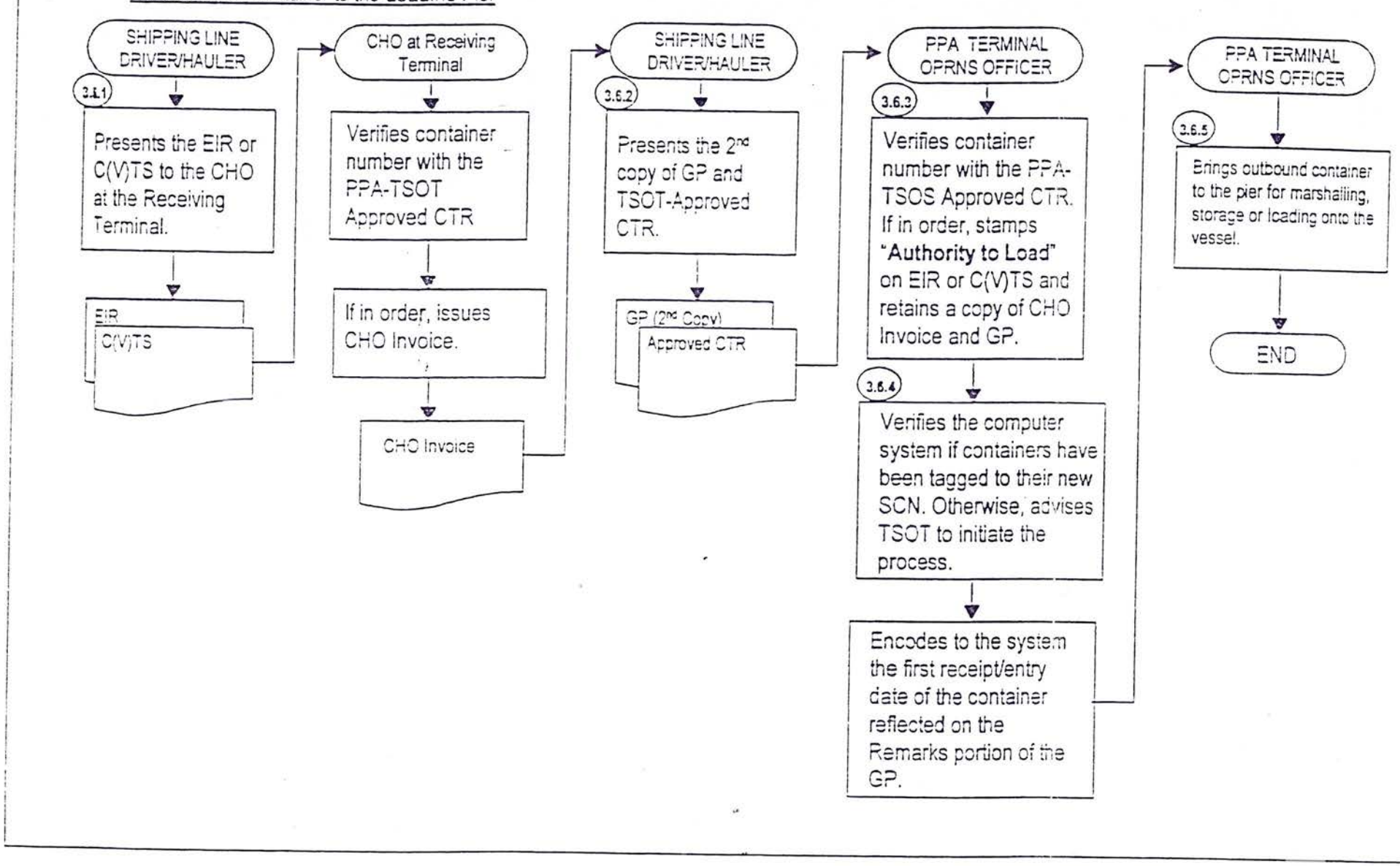
TRANSFER OF CONTAINERS UNDER SHIPPING LINES GUARANTY RECEIVED AT ONE PIER BUT FOR LOADING AT ANOTHER PIER



TRANSFER OF CONTAINERS UNDER SHIPPING LINES GUARANTY RECEIVED AT ONE PIER BUT FOR LOADING AT ANOTHER PIER



RECEIVING OF CONTAINERS TRANSFERRED FROM ANOTHER PIER FOR LOADING



Annex II-G

Republic of the Philippines
PHILIPPINE PORTS AUTHORITY
Port of _____

NOTICE TO CONSIGNEE/OWNER
OF OVERSTAYING CARGOES

FIRST NOTICE

Date: (10th day after discharge of all consignments from the carrying vessels or arrastre acceptance)

(Name of Consignee/Owner)
(Address of Consignees/Owner)
_____

S I R:

Please be informed that your cargoes/articles described hereunder are declared by this PMO as overstaying cargoes pursuant to PPA Administrative Order No. 12-81.

B.L. #

Name of Vessel

Date of Arrival

Voyage No.

Description of Cargoes/Articles

a. Kind
b. Quantity

In view hereof, you are advised to remove said cargoes from the port premises within forty-five (45) days from (arrival date) after paying the charges due thereon.

Very truly yours,

_____
Port Manager

Annex II-G

Republic of the Philippines
PHILIPPINE PORTS AUTHORITY
Port of _____

NOTICE TO CONSIGNEE/OWNER
OF OVERSTAYING CARGOES

SECOND NOTICE

Date: (20th day after discharge of all consignments from the carrying vessels or arrastre acceptance)

(Name of Consignee/Owner)
(Address of Consignees/Owner)

_____

S I R:

Please be informed that your cargoes/articles described hereunder are declared by this PMO as overstaying cargoes pursuant to PPA Administrative Order No. 12-81.

B.L. #

Name of Vessel

Date of Arrival

Voyage No.

Description of Cargoes/Articles

a. Kind
b. Quantity

In view hereof, you are advised to remove said cargoes from the port premises within forty-five (45) days from (arrival date) after paying the charges due thereon.

Very truly yours,

_____
Port Manager

Annex II-G

Republic of the Philippines
PHILIPPINE PORTS AUTHORITY
Port of _____

NOTICE TO CONSIGNEE/OWNER
OF OVERSTAYING CARGOES

FINAL NOTICE

Date: (30th day after discharge of all consignments from the carrying vessels or arrastre acceptance)

(Name of Consignee/Owner)
(Address of Consignees/Owner)

_____

S I R:

Our records show that you were twice notified to remove the above cargoes/articles form the port premises. However, as of this date, you have not complied with our requirements mentioned therein.

You are, therefore, given a last chance to withdraw said cargoes within fifteen (15) days from date of this notice after paying all charges due thereon.

Failure on your part to remove such cargoes shall be construed to mean abandonment and such, this Authority shall dispose the same by sale at public auction.

Very truly yours,

_____
Port Manager

Annex II-H

NOTICE OF SALE

_____
(Date)

Pursuant to the provision of PPA Administrative Order No. 12-81 dated October 21, 1981, the cargoes/articles described below shall be sold at public auction (Sealed Bid) on ____(Date)____ at ____(Time)____ at PPA Office, Port Management Office of ___(Place)____.

Sale Lot Number	Quantity	Description	Location	Minimum Bid

Conditions:

1. Articles to be sold in "AS IN WHERE IS" basis.

2. Posting of bidder's bond equivalent to 10% of bid price in the form of cash, cashier's check or manager's check.

3. The Auction Committee reserves the right to reject any or all or waive any informalities therein.

For further information, please see the Port Manager, concurrently Chairman, Bidding Committee.

Annex II-I

Philippine Ports Authority
PMO _____

BID TENDER

_____
(Date)

SALE LOT NO.	QUANTITY	ARTICLES, MARK DESCRIPTION	BID PRICE

P _____
Figures Total

_____
Words Total

_____
(Name)

_____
(Address)

Annex II - J

PHILIPPINE PORTS AUTHORITY
PMO _____

ABSTRACT OF BID

_____
(Date)

			B I D D E R S					
SALE LOT NO.	QUANTITY	ARTICLE DESCRPTION	NAME BID PRICE	NAME BID PRICE	NAME BID PRICE	NAME BID PRICE	NAME BID PRICE	NAME BID PRICE

_____
Chairman

_____
Member

_____
COA Representative

_____
Member

Form II-a

Tanod Baybayin ng Pilipinas
UNANG PUROK TANOD BAYBAYIN
HIMPILAN TANOD BAYBAYIN NG MAYNILA

_____
(Date)

AUTHORITY TO LOAD INFLAMMABLE LIQUID AND DANGEROUS CARGO SUCH AS KEROSENE, GASOLINE ETC.

You vessel M/V _____ is authorized to load _____ from _____ to _____ provided that the following condition are met:

1. This cargo shall be stored on the weather deck not less than twenty (20) ft. away from the passengers spaces or crew's compartment.
2. Tins and drums shall be stored in tiers of not more than three (3) and each tier shall be provided with dunnage.
3. Tins and drums shall be properly secured to prevent shifting which may cause sparks.
4. Power driven or normally operated spark-producing equipment shall not be near the place this cargo is stored.
5. Warning placards be displaced to warn persons approaching such cargo. The placards shall be in letters not less than two (2) inches high which read "WARNING NO OPEN LIGHT" or "NO SMOKING".
6. Absorbent materials such as sawdust be readily available for cleaning up cargo accidentally spilled on deck.
7. Leaking tins or drums shall not be loaded.
8. A minimum of four (4) 15 lbs. CO_2 2 ½ gal. foam portable fire extinguisher shall be provided with the stowage of this cargo.
9. Gasoline and other inflammable liquid cargo, except kerosene shall be contained in steel drums.

This authorization is valid for one (1) round trip commencing _____ 200__.

A coy of this form shall be furnished the Coast Guard personnel of the _____ Boarding Team and loading shall be under their supervision to secure compliance with the requirements.

NOTE: Disregards the number applied when it will not be accommodated in the space for inflammable.

TO LOAD: _____
_____

_____
(Approving Authority)

Form II-b

_____
(Date)

The Philippine Ports Authority
Port of _____
_____

Attn: Mr. _____
Chief, Safety Staff

Gentlemen:

Subject: M/V _____ Voy. No. _____

Please be informed that above-subject vessel is due to arrive at this port on or about _____ HR. on _____ 200___.

We have for discharge/loading from/to said vessel hazardous/dangerous cargo as per attached Dangerous Goods List.

In this connection, we hereby request your Office that said hazardous/dangerous cargo be allowed to be discharged/loaded from/to above-captioned vessel at pierside or anchorage in accordance with your guidelines..

Very truly yours,

_____
Shipping Agent

Form II-c

PHILIPPINE PORTS AUTHORITY
Port of _____

Date: _____

T O : ALL CONCERNED

SUBJECT : **Handling Permit for Dangerous Cargo**

A. For incoming Dangerous Cargoes on Board MV/SS _____

Shipping Agent : _____ ETA _____

Request to discharge Dangerous Cargo(es) listed on the attached Dangerous Cargo List is hereby permitted/allowed subject to the following conditions:

Unloading shall taken places at
( ) Pier ( ) Anchorage
And shall be discharged direct to ( ) Truck(s) ( ) Barge(s)
Thence to ( ) Dangerous Cargo Area ( ) Consignee

Other Conditions:

1. Packages/container shall be properly labelled and in good condition.

_____
_____
_____
_____
_____
_____
_____

B. Conditions for loading Dangerous Cargo(es) on board vessel.
Name of Vessel : _____
Shipper : _____
_____
_____

C. Conditions for stripping/stuffing Dangerous Cargo(es) inside the port.
Consignee : _____
Container Nos. : _____
_____

APPROVED/DISAPPROVED

_____
Port Manager

Form II-d

Republika ng Pilipinas
PANGASIWAAN NG DAUNGAN NG PILIPINAS
(PHILIPPINE PORTS AUTHORITY)
Port of _____

DANGEROUS GOODS LIST

VESSEL: _____ VOY.: _____ REGISTRY _____ SHIPPING AGENT _____

PORT OF LOADING: _____ PORT OF DESTINATION: _____ ETA: _____

B/L NO.	MARKS & NOS.	NO. & KINDS OF PACKAGES CORRECT TECHNICAL NAMES	CONTAINER NO.	GROSS WT. KILOS	C B M	CONSIGNEE	IMCO CLASS

Form II-e

PHILIPPINE PORTS AUTHORITY
PORT OF MANILA
WEIGHBRIDGE OFFICE

WEIGHING ORDER

_____
(Date)

TO: _____
Shipper/Consignee

You shipment described hereunder and the subject of importation/exportation shall be weighed at Gate _____.

ENTRY/PERMIT/E.D. NO.: _____
BROKEN/HAULER: _____
VESSEL NAME & REGISTRY NO.: _____
DECLARED WEIGHT: _____ Kgs.
DESCRIPTION OF CARGO: _____
_____
_____
_____

Subject cargo shall be weighed without any expense or your part. However, any under-declaration of cargo weight shall be subject to payment of additional port charges, as may be appropriate.

Issued by:

_____
Terminal Operations Officer/
Terminal Operations Assistant

Accomplish in 3 copies

Original	-	Consignee/Broker
Duplicate	-	Weighbridge Office
Triplicate	-	File Copy

Form II-f

PHILIPPINE PORTS AUTHORITY
PORT OF MANILA
WEIGHBRIDGE OFFICE

WEIGHING REQUEST

_____
(Date)

THE MANAGER:
PPA PORT OF MANILA

S i r :

It is respectfully requested that the shipment described hereunder and the subject of importation/exportation be weighed at Gate _____.

CONSIGNEE/SHIPPER: _____
BROKEN/HAULER: _____
ENTRY/PERMIT/E.D. NO.: _____
VESSEL NAME & REGISTRY NO.: _____
DECLARED WEIGHT: _____ Kgs.
DESCRIPTION OF CARGO: _____
_____
_____

It is understood that the corresponding fee for the use of the weighbridge shall be promptly paid at the Weighbridge Office upon completion of the service and that any under-declaration of cargo weight shall be subject to the payment of additional port charges, as may be appropriate.

Very truly yours,

Action Taken:

_____
Name/Signature

FOR THE PORT MANAGER

By: _____
OIC, Weighbridge Office

_____
Company Name

_____
Position/ID No.

Accomplish in 3 copies
Original - PPA Weighbridge Office
Duplicate - Consignee/Broker
Triplicate - File Copy

Form II-g

PHILIPPINE PORTS AUTHORITY
PORT OF MANILA
WEIGHBRIDGE OFFICE

WEIGHT SUMMARY REPORT

ENTRY/PERMIT/E.D. NO.: _____
BROKEN/HAULER: _____
NO. OF TRUCKS: _____

Plate No.	Ticket No.	Date	Gross Wt.	Tare Wt.	Net Wt.

Prepared by:

_____
Weight Recorder

PHILIPPINE PORTS AUTHORIY

VOC Form
Instructions at the Back

VESSEL OPERATIONS COMMITMENT

Port of _____
PMO _____
For the Period _____
Handling Operation _____
(Arrastre Or Stevedoring)

Pursuant to PPA Memorandum Order No. _____, prescribing the Revised Guidelines in the Implementation of Vessel Operations Commitment at the Port of _____ we the undersigned, hereby agree with the terms and conditions set forth by this document, as follows:

VESSEL NAME	VESSEL	VESSEL GEARS DESCRIPTION	CARGO HANDLING GEARS & EQUIPMENT				GANG COMPLEMENT				TY
			ARRASTRE	NO.	STEVEDORING	NO.	NO. OF GANGS		MEN GANG		
							ARRAS.	STEV.	ARRAS.	STEV.	C

Submitted by:

_____
Name of Cargo Handling Company

_____
Printed Name & Signature of Operations Manager

Committed by:

_____
Name of Shipping Company

_____
Printed Name & Signature of VesselOwner/Agent

Attested by:

INSTRUCTIONS

PHILIPPINE PORTS AUTHORITY

Form II - i

POST VESSEL OPERATIONS EVALUATION REPORT

PORT OF _____

PMO _____

TERMINAL OFFICE _____

HANDLING OPERATOR _____

DATE _____

Vessel Name: _____ Shipping Co. _____

Vessel Type: _____ Cargo Handling Co.: _____

ATA : Date: _____ Time: _____ ATA : Date: _____ Time: _____

Idle Time: _____ Registry No./Voyage No.: _____

Route : ____ Foreign ____ Domestic _____ Berth _____ Anchorage

GANG COMPLEMENT

Number of Gangs: _____ Arrastre Number of Men/Gang: _____ Arrastre

_____ Stevedoring _____ Stevedoring

GEARS AND EQUIPMENT SUPPLIED:

DESCRIPTION	VESSEL	ARRAS.	STEV.	DESCRIPTION	VESSEL	ARRAS.	STEV.

TYPE OF CARGO	UNLOADED		LOADED	
	TOTAL T/BOXES HANDLED	SERVICE TIME NET HOURS	TOTAL T/BOXES HANDLED	SERVICE TIME (NET HOURS)

PROBLEMS ENCOUNTERED : _____

ACTION TAKEN: _____

PREPARED BY:

_____
Name of Cargo Handling Company

_____
Printed Name and Signature of
Operations Manager

CONFIRMED BY:

_____
Name of Shipping Company

_____
Printed Name and Signature of
Vessel Owner/Agent

NOTED BY:

_____
Terminal Supervisor
(Signature Over Printed Name)

(Instruction at the back)

Form II - j

PHILIPPINE PORTS AUTHORITY

MONTHLY PRODUCTIVITY SUMMARY REPORT

PDO ______________________________

PMO ______________________________

TERMINAL OFFICE __________________

PERIOD COVERED __________________

CARGO HANDLING OPERATOR: ____

VESSEL NAME	VESSEL TYPE	VOY. NO.	COMMODITY	ACTUAL PRODUCTITY (METRIC TONS PER NET GANG HOUR)			
				DISCHARGED	AVE	LOAD	AVE

Discharge:
Container: ______ Breakbulk: _____ Bulk: _____ Palletized: _____ Livestock: _____ Others: _____

Load
Container: ______ Breakbulk: _____ Bulk: _____ Palletized: _____ Livestock: _____ Others: _____

Prepared by: Noted by:

____________________ ________________________

Form II - k

PHILIPPINE PORTS AUTHORITY

SEMI-ANNUAL PRODUCTIVITY SUMMARY REPORT

PDO _____

PMO _____

TERMINAL OFFICE _____

PERIOD COVERED _____

CARGO HANDLING OPERATOR: _____

MONTH	COMMODITY TYPE	UNITS	ACTUAL PRODUCTITY (METRIC TONS PER NET GANG HOUR)		
			DISCHARGED	LOAD	AVERAGE

PREPARED BY:

_____

DATE: _____

SUBMITTED BY:

_____

PORT MANAGER

DATE: _____

Form II- I

_____
(Date)

Name of Shipping Company
Address _____

Attention : Claim Department

Gentlemen:

We hereby file a claim against you for P _____ representing the value of loss/damage sustained by your shipment described as follows:

Shipment	_____
Name of Vessel	_____
Voyage Number	_____
Bill of Lading No.	_____
Port of Origin	_____
Port of Destination	_____
Nature of Claim	_____
Delivery Cargo Receipt No.	_____

In support of this claim, attached are the following documents:

1.

2.

3.

4.

Very truly yours,

_____
Name of Claimant

Form II - m

SUMMARY REPORT OF CLAIM

Claim No.	Claimant:		Value:
Vessel:		Voyage No.	B/L No.
Date Manifested:		Date Discharge:	
Nature of Claim:			Liability of Shipping: P
			Liability of Arrastre: P
			Amount of Claim due Claimant P

1. Loading Record: (only if claim covers straight items and unmarked cargo, the number of units loaded cannot be determined without referring to the report of loading and shall not apply re: specified cargoes clearly marked and readily identified).

2. Discharge Record: (Evidenced by entries in the Discharging Sling Slip)

DSS No.	Quantity	DSS No.	Quantity
_____	_____	_____	_____
_____	_____	_____	_____

Total : _____

3. Delivery Record: (Evidenced by entries in the Delivery Cargo Receipt)

DCR No.	Consignee	Quantity
_____	_____	_____
_____	_____	_____

Total : _____

4. Summary of Liability

5. Supporting Paper:

6. Amount Approved:

7. Date Filed:

8. Signature:

9. Acknowledgment and Receipt by: (CH Operator)

SUMMARY OF MONTHLY CARGO HANDLING GROSS INCOME REPORTS

For the Month: _____

PDO/PMO	CH Operator	Gross Income	Government Share	Scheme of Gov't. Share FF/FV PGS/Rate	Total Monthly Gov't. Income of PMC

Prepared By:

_____

POSD Staff

Reviewed By:

_____

Manager, TSD

Endc

____

Note

____

AG

Form CHO-GI-2

PHILIPPINE PORTS AUTHORITY

PDO _____

PMO _____

SUMMARY OF MONTHLY GROSS INCOME REPORT
OF CARGO HANDLING OPERATORS
For the Month of (Indicate the Month)

Cargo Handling Operator	Port/Areas of Operations	Gross Income			Total of Gross Income	Total Government Share Remitted or to be Remitted	Scher Governme
		Arrastre	Stev.	Others*			

* **Others-refers to income generated by CH operators from CH sources other than arrastre and stevedoring (e.g. porterage)**
** **PGS and % rate FF & VF**

Prepared By:

_____
RMD Manager

Date: _____

Certified Cor

_____
Port

Date: _____

Form CHO-GI-I

Form II - p

PHILIPPINE PORTS AUTHORITY
CARGO HANDLING (CH) COMPLIANCE REPORT

_____
Name of the CH Operator

PMO _____
PDO _____

Area of Operations: _____
Effectivity Date of Contract/Permit: _____
Permit to Operate (PTO)/Contract Period: _____
For the Month of: _____

PTO/Contract Terms and Conditions (Performance Standards)	***Compliance***	***TMOs Recommendation***	***Remarks/ Actions Done***
I. ORGANIZATION AND MANAGEMENT			
A. CH Operator possesses authority to operate, issued by PPA (Contract/PTO/HOA).			
B. CH Operator duly registered with other government agencies concerned.			
C. Organizational Structure with functional units to handle administrative, finance operations and support services such as equipment maintenance, safety and security.			
D. Standard on training of personnel complied with.			
E. Labor Management Relations			
1. Respect existing CBAs, if any and implement/carry over all existing benefits/ privileges under CBA and company policy or practice.			
2. Employ and utilize members of the existing labor force.			
3. Equal earning Opportunity/Labor Rotation Scheme provided.			
4. Complied with the Minimum Wage Law.			
5. Salaries/Wages paid directly to portworkers during designated paydays.			
6. Workers posses valid SSS I.D.			
7. SSS, PhilHealth premiums, loan payments fully and timely remitted.			

PTO/Contract Terms and Conditions (Performance Standards)	*Compliance*	*TMOs Recommendation*	*Remarks/ Actions Done*
E. IDs/Uniforms issued and worn during operations. F. List of all employees/laborers/workers submitted to the Authority every six months.			
II. OPERATIONS A. Labor force adequate and available within the prescribed period upon receipt of notice of readiness. 1. Domestic vessels 2. Foreign vessels B. Cargo Handling Equipment/Gears 1. Adequate cargo handling equipment and gears provided. 2. Cargo handling equipment/gears in good operating condition. 3. Cargo handling equipment/vehicles pass the yearly Smoke Emission Test. 4. Monthly Equipment Utilization Report submitted. C. Cargo Handling and Location System 1. Methods/Style appropriate to type of cargoes handled. 2. Well-defined effective cargo location system verified/confirmed and approved by the PMO is adopted and implemented. 3. Storage/Stacking/Piling of cargoes in accordance with DSHS. D. Processing and Documentation 1. Processing is within prescribed time. No complaints against the CH Operator. 2. Complete documentation of cargoes handled/received/released. E. Productivity rates for the month meet the prescribed rates. F. Records of Shipcalls, Labor Productivity and cargoes handled are up to date, accurate and complete.			

PTO/Contract Terms and Conditions (Performance Standards)	*Compliance*	*TMOs Recommendation*	*Remarks/ Actions Done*
G. Reports 1. VOC and PVOER properly implemented. 2. Reports submitted are true, accurate and on time. 3. CH Operation Reports submitted are complete.			
III. HEALTH, ENVIRONMENTAL, SAFETY AND SECURITY A. Health, Cleanliness and Environment 1. Medical and dental attendance is provided. 2. Drinking water facilities provided and manitained in accordance with the standards. 3. Toilet facilities provided and maintained in accordance with the standards. 4. Port is clean and orderly. 5. Garbage receptacles provided and garbage collected regularly. 6. Environmental sanitation regulations properly implemented. B. Safety and Security 1. Safety Committee organized and Safety Officer employed or designated. 2. Safety Program duly approved by PPA actively implemented. 3. First Aider is available in every workplace and work shift. 4. Sufficient First Aid box/es provided with adequate suitable medicines, medical supplies/equipment. 5. Safety signs/slogans in accordance with the standards posted in strategic locations. 6. Necessary protection/safety devices provided and worn during operations by all workers.			

PTO/Contract Terms and Conditions (Performance Standards)	*Compliance*	*TMOs Recommendation*	*Remarks/ Actions Done*
7. Required fire-fighting equipment provided and strategically located/deployed. 8. Well-trained and equipped Emergency Rescue Team (ERT) organized and immediately available in case of emergecy especially when only Fire Marshall is field. 9. Existence of Contingency Plan approved by the PMO. 10. Fire-fighting and other disaster drills regularly conducted. 11. Instituted measures to control accident/ illness. 12. Accident Reports accurate, complete and submitted on time. 13. Pilferage/damages to cargoes not more more than 1% of Operator's gross income for the last calendar year. 14. Incident reports on pilferage and/or damages submitted on time. 15. Licensed security guards or full time watchmen are hired and deployed.			
IV. Finance A. Working Capital maintained is in accordance with regulations/contract provision. B. Performance Bond adequate and posted/ renewed on time. C. Proper financial books maintained and/or BIR authorized computerized accounting system submitted to PPA. D. Uniform Chart of Accounts prescribed by PPA is adopted. E. Accountable Forms registered with the BIR and list submitted to PPA before its use. F. Insurance from the GSIS for facilities/ structures used by Operator secured. G. Bills for utilities exclusively used by CH Operator, paid on time.			

PTO/Contract Terms and Conditions (Performance Standards)	*Compliance*	*TMOs Recommendation*	*Remarks/ Actions Done*
H. Real estate tax for port facilities leased to CH Operator, paid. I. Handling rates in accordance with PPA approved tariff rates. J. Nature of charges and corresponding rates indicated in the bills/ORs. K. Remittance 1. Correct Government Share full remitted within the prescribed time. 2. Remittances supported by Report of Gross Income certified by the CH Operator. 3. Value-Added-Tax due PPA fully remitted with the Government Share. L. Port Labor Trust Fund maintained in accordance with the requirements. M. Financial Report including Annual Report submitted within the prescribed date.			
V. COMMITMENT IN THE BUSINESS PLAN NOT INCLUDED IN THE FOREGOING STANDARDS A. Marketing Strategies Complied. B. People Development Implemented. C. Manual of System and Procedured Implemented. D. Other commitments complied.			

Other Comments/Recommendations:

Prepared By:

PPA Terminal Supervisor
(Signature over printed name)

Date Submitted:

Approved:

Port Manager

Discussed With:

(Name of Cargo Handling Operator)

Manager
(Signature over printed name)

Action taken by the PMO:

Form II - q

PHILIPPINE PORTS AUTHORITY
SUMMARY STATUS OF COMPLIANCE TO THE CHC REPORTS
PER PPA ADMINISTRATIVE ORDER NO. 13-96
PDO _____
FOR THE _____

PMO/TMO AND CHO	CHCR SUBMITTED (MONTHS)	AREAS OF OPERATIONS	OPR	PDO ACTION/REMARKS

PREPARED BY:

_____

REVIEWED BY:

_____
Manager, MSD

NOTED BY:

_____
Port District Manager

Annex III-A

Philippine Ports Authority

Invitation to Apply for Eligibility and to Bid for the Cargo Handling Services at the Port of _____

1. The cargo handling services at the Port of _____ are described as follows:

   1.1 Arrastre Services is the act of receiving, delivery, transfer, checking, sorting, piling, custody of cargo passing through the piers or wharves, its transit sheds or warehouses and open storage areas within the jurisdictional area of responsibility of the CH operator.

   1.2 Stevedoring service includes all work on board vessel that is the process or act of loading and unloading cargo, stowing inside hatches, compartments and on deck or open cargo spaces on board vessel. The related services to stevedoring are rigging ship's gears, opening and closing of hatches, securing cargo stored on board by lashing, shoring and trimming.

   (NOTE: Other cargo handling services subject to this bidding must be included and described. Such services which may be provided by the port include, among others, porterage, bagging, etc.)

2. The ***Philippine Ports Authority*** (PPA) thru the ***Bids and Awards Committee*** (BAC) now calls for the submission of ***Letters of Intent (LOIs)*** from potential bidders to apply for eligibility and short listing for the abovementioned scope of services at the Port of _____. Interested bidders must submit their LOIs on or before _____(date and time)_____ at BAC office at _____(address)_____ and secure the "Eligibility Documents" therefrom. Applications for eligibility will be evaluated on a "Pass/Fail" basis. The last day for the submission of the accomplished "Eligibility Documents" shall be on the date of the opening of Eligibility Documents: ___*(date and time)*_ at the BAC Office. Only those that are short listed will be entitled to submit bids.

3. The SBAC shall draw up the short list of bidders from those who have submitted ***Letters of Intent (LOIs)*** and have been determined as eligible both in accordance with the provisions of PPA Adm. Order No. _____. The short list of prospective bidders shall consist of at least seven (7) bidders. The criteria and rating system for short listing shall be as follows:

   Eligibility of prospective bidders shall be checked against the "Checklist of Eligibility Requirements" using a non-discretionary "Pass"/"Fail" criteria. Shortlisting of eligible bidders shall be done by examining and evaluating the completeness of each bidder's eligibility requirements or statements against the checklist. Compliance to the eligibility requirements shall determine whether the prospective bidders are either "ELIGIBLE" or "INELIGIBLE" to participate in the bidding.

All particulars relative to Eligibility Statement and Screening, Bid Security, Performance Security, Pre-Bidding Conference(s), Evaluation of Bids, Post-Qualification and Award of Contract shall be governed by the pertinent provisions of PPA Admin Order No. _____ dated _____.

If more than (seven) 7 bidders are evaluated "ELIGIBLE", the BAC shall resort to numerical rating evaluation to determine the eligible 7 bidders.

4. The corresponding weights for the technical and financial proposals are as follows:

   a) Technical Proposal: between 60% to 85%

   b) Financial Proposal: between 15% to 40%

   (NOTE: The BAC shall determine and clearly specify the weight assignment between the technical and financial proposals considering the requirements of the cargo handling services of the port subject to bidding.)

5. ***Letters of Intent (LOIs)*** must be delivered by hand, through mail, or facsimile to the address below at ___*(time)*_____on or before _____*(date)*_____.

6. Bidding will be conducted through open competitive bidding procedures as specified in PPA Adm. Order No. _____ and is restricted, unless otherwise stated, to Filipino citizens or organizations with at least sixty percent (60%) interest belonging to citizens of the Philippines. In accordance with the foregoing Adm. Order , only bids from short listed consultants will be opened. The process for the eligibility check is described in the Eligibility Documents. The contract will only be awarded to the Highest Rated and Responsive Bidder who was determined as such during post-qualification.

7. Interested bidders may obtain further information from the Port District Office of _____ and the Port Management Office of _____ from ***8:00 a.m. to 5:00 p.m.***

8 The ***Philippine Ports Authority*** reserves the right to reject any or all bids, annul the bidding process, or not award the contract at any time prior to contract award, without thereby incurring any liability to the affected Bidder or Bidders.

_____
Chairman
Bids and Awards Committee

N.B.

Invitation to Apply for Eligibility and Participation in the Comparative Evaluation for CH Services shall be patterned after this Invitation for Bidding.

Annex III-B

BIDDING OF CARGO HANDLING SERVICES
FOR THE PORT OF _____

INSTRUCTION TO BIDDERS

1. Scope Of Bid

The scope of this bid is the management and operations of cargo handling (CH) services at the Port of _____, which encompasses the area of _____ (exact area of operations), particularly defined and delineated in the Port Layout Plan, hereto attached as Annex _____.

The services to be provided include arrastre and stevedoring (include other related services). Specifically, arrastre service is the act of receiving, delivery, transfer, checking, sorting, piling, custody of cargo passing through the piers or wharves, its transit sheds or warehouses and open storage areas within the jurisdictional area of responsibility of the CH Operator.

Stevedoring service includes all work on board vessel, that is the process or act of loading and unloading cargo, stowing inside hatches, compartments and on deck or open cargo spaces on board vessel. The related services to stevedoring are rigging ship's gears, opening and closing of hatches, securing cargo stored on board by lashing, shoring and trimming.

(Provide description of other related services to cargo handling, to include among others, like porterage.)

2. Corrupt, Fraudulent and Coercive Practices

2.1 The Authority and the bidders shall observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Authority:

a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) ***"corrupt practice"*** means the behavior on the part of officials in the public and private sectors by which they improperly and unlawfully enrich themselves and/or others, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving or soliciting of anything of value to influence the action of any such official in the bidding process or in contract execution; entering on behalf of the Government, into any

contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby; and

(ii) "***fraudulent practice***" means a misrepresentation of facts in order to influence the bidding process or execution of a contract to the detriment of the Government, and includes collusive practices among bidders (prior to or after bid submission) designed to deprive the Authority of the benefits of free and open competition.

(iii) ***"collusive practices"*** means a scheme or arrangement between two or more bidders, with or without the knowledge of the Authority, designed to establish non-competitive levels of bids.

(iv) "***coercive practices***" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a bidding process, or affect the execution of a contract.

b) shall reject a bid for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract; and

c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a contract, if, any time, it determines that the firm has engaged in corrupt or fraudulent practices in competing or, in executing, a contract.

2.2 Further, the Authority will seek to impose the maximum penalties for civil and criminal liability available under the applicable law on individuals and organizations deemed to be involved with corrupt or fraudulent practices.

3. Conflict of Interest

3.1 All bidders found to have conflicting interests shall be disqualified to participate in the bidding on hand, without prejudice to the imposition of appropriate administrative, civil and criminal sanctions. A bidder may be considered to have conflicting interests with another bidder if any of the events described in paragraphs (a) to (c) and a general conflict of interest if any of the circumstances set out in paragraphs (d) to (e), below:

a) A bidder has controlling shareholders in common with another bidder;

b) A bidder receives or has received any direct or indirect subsidy from another bidder;

c) A bidder has the same legal representative as that of another bidder for purposes of this bid;

d) A bidder has a relationship, directly or through third parties, that puts them in a position to have access to information about or influence on the bid of another bidder or influence the decisions of the Authority regarding this bidding process; and

e) A bidder submits more than one (1) bid in this bidding process.

3.2 All bids shall be accompanied by a sworn affidavit of the bidder that he or she or any officer of the company is not related to the General Manager, PPA, the District Manager, the Port Manager or any member of the SBAC, members of the TWG or BAC Secretariat, by consanguinity or affinity up to the third civil degree. Failure to comply with this requirement shall be a ground for the automatic disqualification of the Bid. (A sample of the "Affidavit of Disclosure of No Relationship is attached.)

4. One Bid Per Bidder

Each bidder shall submit only one (1) bid. A bidder who submits or participates in more than one (1) bid will cause all the proposals with the bidder's participation to be disqualified. This shall without prejudice to any applicable criminal, civil and administrative penalties that may be imposed upon the persons and entities concerned.

5. Prebid Conference

5.1 The bidder, by the act of submitting its bid, shall be deemed to have inspected the site and determined the general characteristics of the port and the corresponding CH and related services and the conditions of the contract to bid. The BAC shall require an affidavit of such inspection from eligible bidder.

5.2 The bidder or his official representative is invited to a Pre-Bid Conference, the venue, time and date of which shall be indicated in the BDS. Non-attendance at the Pre-Bid Conference shall not be a ground for disqualification of a bidder.

5.3 The Pre-Bid Conference shall be held at least twelve (12) calendar days before the deadline for the submission and receipt of bids. However, attendance of the bidders shall not be mandatory.

5.4 The Pre-Bid Conference shall discuss among other things, the technical and financial components of the contract to be bid. The minutes of the Pre-Bid

Conference shall be recorded and made available to all participants not later than three (3) calendar days after the Pre-Bid Conference.

6. Content of the Bidding Documents

6.1 The set of bidding documents comprises the documents listed below:

Section I. Invitation to Apply for Eligibility and to Bid

Section II. Instruction to Bidders

Section III. Bid Data Sheet

Section IV. General Conditions of the Contract

Section V. Sample Forms

6.2 Bidders should note that the Authority will only accept bids from bidders that have purchased the bidding documents from the office indicated in the Invitation to Apply for Eligibility and to Bid.

7. Clarification and Amendment of Bidding Documents

7.1 Bidders may request for clarification/s or interpretation on any part of the bidding documents. Such request must be in writing and submitted to the BAC at the address indicated in the bids, at least ten (10) calendar days before the deadline set for the submission and receipt of bids. The Authority shall respond to the said request by issuing a Supplemental/Bid Bulletin, to be made available to all those who have properly secured the bidding documents from the BAC, at least seven 7) calendar days before the deadline for the submission and receipt of bids. It shall be the responsibility of all those who have properly secured the bidding documents to inquire and secure Supplemental/Bid Bulletins that may be issued by the BAC.

7.2 Supplemental/Bid Bulletins may be issued upon the Authority's initiative for purposes of clarifying or modifying any provision of the bidding documents not later than seven (7) calendar days before the deadline for the submission and receipt of bids. It is the responsibility of the BAC to notify in writing and through posting in the website of the Authority the said documents to all those who have properly secured the bidding documents. Any modification to the bidding documents shall be identified as an amendment. Bidders who have submitted bids before the issuance of the Supplemental/Bid Bulletin must be informed and allowed to modify or withdraw their bids.

7.3 The Supplemental/Bid Bulletin shall be posted in the Port District Office and Port Management Office concerned and the Authority's website, if any.

8. Cost of Bidding

The bidder shall bear all costs associated with the preparation and submission of his bid, and the Authority will, in no case, be responsible or liable for those costs.

9. Documents Comprising the Bid

The bid submitted by the bidder shall comprise the Technical Proposal and Financial Proposal. The Technical Proposal and Financial Proposal shall contain the following information:

9.1 Technical Proposal

a) Bid security as to form, amount and validity period;

b) Authority of the signing official;

c) Affidavit of site inspection;

d) Business Plan containing commitments enumerated as follows:
- CH equipment procurement
- Productivity
- Capital structure
- Traffic projections & analysis
- Marketing strategy
- Safety & security program
- Manual of systems & procedures
- People development program

e) Written commitment from the bidder's bank to extend to it a credit line if awarded the contract to be bid, or a cash deposit certificate specifically committed to the contract, if awarded, in an amount not lower than that set in the bids;

f) A sworn affidavit in accordance with these ITB; and

g) Any other related documents required by the BAC.

9.2 Financial Proposal

a) (Highest government share based on gross revenue from CH operations or from the financial statements prepared by the bidder).

b) If indicated in the BDS, all financial proposals that exceed the "floor" and "ceiling" of government share prescribed by the BAC, shall be rejected.

10. Bid Security

10.1 The bidder shall furnish, as part of the bid, a bid security in the form and amount specified in the BDS.

10.2 As indicated in the BDS, the BAC shall prescribe the acceptable forms of bid security from among the following, from which acceptable forms the bidder may choose: cash, a cashier's check or certified check; surety bond; bank guarantee or other such form indicated in the BDS.

10.3 In case of a bank guarantee, the bid security shall be submitted using the Bid Security Form included in Section _____ Forms and Qualification Information, or another form acceptable to the Authority. The form must include the complete name of the bidder. The bid security should be valid for the period specified in the BDS.

10.4 Any bid not accompanied by an acceptable bid security shall be rejected by the Authority.

10.5 No bid securities shall be returned to bidders after the opening of bids and before contract signing, except to those that failed to comply with any of the requirements to be submitted in the first bid envelope (Technical Proposal) of the bid. Without prejudice to the provisions of pertinent regulations on the forfeiture of bid securities, bid securities shall be returned only after the successful bidder has signed the contract and furnished the required performance bond/security, but in no case later than the expiration of the bid security validity period indicated in the BDS.

10.6 The bid security of the successful bidder will be discharged when the bid has signed the agreement and furnished the required performance bond/ security, but in no case later than the expiration

10.7 The bid security may be forfeited:

a) if the bidder withdraws the bid after the bid opening during the period of bid validity;

b) in the case of a successful bidder, if the bidder fails within the specified time limit to sign the contract; furnish the required performance bond/ security; and

c) any other reasons stated in the BDS.

11. Format and Signing of Bid

11.1 The bidder shall submit one (1) original of the Technical Proposal and one (1) original of the Financial Proposal as described in the ITB and clearly marked each as *"ORIGINAL – TECHNICAL PROPOSAL"* and *"ORIGINAL – FINANCIAL PROPOSAL"*. In addition, the bidder shall submit six (6) copies of the Technical Proposal and the Financial Proposal, and clearly marked them *"COPY NO. _____ - TECHNICAL PROPOSAL"* and *"COPY NO. _____ - FINANCIAL POPOSAL"*. In the event of any discrepancy between the original and the duplicate copies, the original shall prevail

11.2 The original and the two (2) copies of the Bid shall be typed or written in indelible ink and shall be signed by the bidder or a person or persons duly authorized to bind the bidder to the contract. All pages of the bid where entries or amendments have been made shall be initialed by the person or persons signing the bid.

11.3 Any alterations, erasures, interlineations or overwriting shall be valid only if they are signed or initialed by the person signing the bid.

12. Sealing and Marking of Bids

12.1 The bidder shall enclose the original of the Technical Proposal in one sealed envelope marked as *"ORIGINAL – TECHNICAL PROPOSAL"*, and the original of the Financial Proposal shall be enclosed in another sealed envelope marked as *"ORIGINAL – FINANCIAL PROPOSAL"*. Both envelopes shall then be placed in another single envelop marked as *"ORIGINAL BID"*.

12.2 Each copy of the Technical Proposal and Financial Proposal shall be similarly sealed duly marked as *"COPY NO. ____ - TECHNICAL PROPOSAL"* and *"COPY NO. ___ - FINANCIAL PROPOSAL"*, respectively and the outer envelope as *"COPY NO. ___"* These envelopes containing the original and the duplicate copies shall then be enclosed in one (1) single envelope that shall:

a) name the contract to be bid;

b) bear the name and address of the bidder;

c) be addressed to the BAC in accordance with the ITB; and

d) bear a warning *"DO NOT OPEN BEFORE _____"* (the time and date for the opening of bids) in accordance with the ITB.

12.3 If all envelopes are not sealed and marked as required, the BAC will assume no responsibility for the misplacement or premature opening of the bid.

13. Deadline for Submission of Bids

Bids must be received by the BAC of the Authority at the address on or before the date and time indicated in the BDS.

14. Late Bids

Any bid submitted after the deadline for submission and receipt of bids prescribed by the BAC of the Authority shall be declared *"LATE"*, and shall not be accepted by the BAC.

15. Modification and Withdrawal of Bids

15.1 The bidder may modify its bid after it has been submitted; provided that the modification is received by the BAC prior to the deadline prescribed for submission and receipt of bids. The bidder shall not be allowed to retrieve its original bid, but shall be allowed to submit another bid equally sealed, properly identified, linked to its original bid marked as *"TECHNICAL PROPOSAL MODIFICATION"* or *"FINANCIAL PROPOSAL MODIFICATION"* and stamped *"RECEIVED"* by the BAC. Bid modifications received after the applicable deadline shall not be considered and shall be returned to the bidder unopened.

A bidder may, through a Letter of Withdrawal, withdraw its bid after it has been submitted, for valid and justifiable reason/s; provided that the Letter of Withdrawal is received by the BAC prior to the deadline prescribed for submission and receipt of bids.

15.2 Bids requested to be withdrawn in accordance with this ITB shall be returned unopened to the bidders. A bidder that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same contract.

15.3 No bid may be modified after the deadline for submission of bids. No bid may be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the bidder on the bid form. Withdrawal of a bid during this interval may result in the forfeiture of the bidder's bid security and the imposition of administrative, civil and criminal sanctions as prescribed in the Compendium of Regulations on CH Operations or this ITB.

16. Opening and Preliminary Examination of Bids

16.1 The BAC shall open bid envelopes in the presence of the bidders or their representatives who choose to attend, at the time, on the date, and at the place specified in the BDS. The bidders or representatives who are present shall sign a register evidencing their attendance.

16.2 Letters of withdrawal shall be read out and recorded, and the envelop containing the corresponding withdrawn bid shall be returned to the bidder unopened. If the withdrawing bidder or its representative is in attendance, the original bid and all copies thereof shall be returned to him during the bid opening. If the bidder or his representative is not in attendance, the bid shall be returned unopened by registered mail. The bidder may withdraw his bid prior to the deadline for submission and receipt of bids, provided that the corresponding letter of withdrawal contains a valid justification for such withdrawal, subject to appropriate administrative sanctions.

16.3 If the bidding is subject to an Eligibility Check, the BAC shall not accept the bids of ineligible bidders. The BAC shall open the bids of eligible bidders only, in accordance with the following paragraph.

16.4 Outer envelopes marked *"TECHNICAL PROPOSAL MODIFICATION"* or *"FINANCIAL PROPOSAL MODIFICATION"* will be identified but not opened. The BAC will announce the presence and type of modification from the information contained on the outer envelope.

16.5 The BAC shall first open the envelopes containing the *"TECHNICAL PROPOSALS"* and modification, if any, one at a time, and read out and record the following:

a) the name of the bidder;

b) whether there is a technical modification or substitution;

c) the presence, amount and validity of the bid security;

d) the presence or absence of each document comprising the technical proposal, vis-à-vis a checklist of the required documents.

16.6 The BAC shall determine each bidder's compliance with the documents required to be submitted for the Technical Proposal of the Bid. For this purpose, the BAC shall check the submitted documents of each bidder against a checklist of required documents to ascertain if they are all present in the first (Technical Bid) envelope, using a non-discretionary "pass/fail" criteria, as stated in the Invitation to Apply for Eligibility and to Bid and this ITB. If a bidder submits all required documents, it shall be rated *"PASSED"*

for that particular requirement. In this regard, failure to submit a requirement or an incomplete or patently insufficient submission, shall be considered *"FAILED"* for the particular requirement concerned. In case one or more of the above required documents in the first envelope of a particular bid is missing, incomplete, or patently insufficient, the BAC shall rate the bid concerned as *"FAILED"* and immediately return to the bidder concerned its second (Financial Bid) envelop unopened.

16.7 Immediately after determining compliance with the requirements in the first (Technical Bid) envelope, the BAC shall forthwith open the second envelop (Financial Bid) of each remaining eligible bidder whose first bid envelop was rated *"PASSED"*. The second envelope of each complying bidder shall be opened within the same day, except provided. In case one or more of the requirements in the second envelope of a particular bid is missing, incomplete or patently insufficient, and/or if the submitted total bid exceeds the prescribed ceiling of the Percentage (%) Government Share, the BAC shall rate the bid concerned as *"FAILED"*. Bids that are determined to contain all the requirements for the second (Financial Bid) envelope shall be rated *"PASSED"* and shall immediately be considered for detailed evaluation of the bids.

16.8 The BAC shall prepare the minutes of the proceedings of the bid opening that shall include, as a minimum: (a) abstract of bids as read including names of bidders, their financial bid, bid security, findings or preliminary examination; and (b) attendance sheet. The BAC members shall sign the abstract of bids as read and the observers may witness the same. A copy of the abstract of bids as read shall be made available to all interested bidders. The minutes of the proceedings of the bid opening shall be available to the public upon written request and payment at a specified fee to the cost of materials.

17. Process to be Confidential

17.1 Members of the BAC, including its staff and personnel, as well as its Secretariat, are prohibited from making or accepting any kind of communication with any bidder regarding the evaluation of their bids until the issuance of the Notice of Award.

18. Detailed Evaluation and Comparison of Bids

18.1 The BAC shall evaluate and compare, in detail, only the bids that are rated *"PASSED"* for both the Technical and Financial Proposals.

18.2 **Evaluation of the Technical Proposals:**

a) The BAC evaluates the Technical Proposal on the basis of their compliance with the requirement under the ITB and responsiveness to the TOR, as follows:

(1) Relevant experiences and capability of the principal officers and key supervisory personnel.

(2) Cargo handling equipment and gears, either owned, leased or under purchase, for ready deployment and utilization at the start of cargo handling operations.

(3) Cargo handling and port related experiences during the last ten (10) years.

(4) Business Plan relative to commitments for the duration of the contract, to include the following: cargo handling equipment procurement; productivity; capital structure; traffic projections and analysis; marketing strategy; safety and security programs; manual of systems and procedures; and people development program.

The BAC shall assign numerical points to each of the above criteria. A bid shall be rejected at this stage if it does not respond to important aspects of the TOR or it fails to achieve the minimum technical score, as required.

18.3 **Evaluation of the Financial Proposal**

a) The BAC shall evaluate and compare the commitment of government share from the gross income derived from cargo handling services of the port to be remitted to the Authority for the duration of the contract.

b) In case of discrepancies between the bid prices in figures and in words, the latter shall prevail.

18.4 The numerical scores of the technical proposal and the financial proposal of each bidder shall be computed by multiplying the assigned weights accordingly, to determine the overall point-score of each bidder. The weight of the technical proposal and the weight of the financial proposal shall add to one hundred percent (100%).

18.5 Based on the detailed evaluation of bids, the bidders shall be ranked in descending order of their total calculated bids to determine the Highest Calculated Bid.

19. Post Qualification of Winning Bidder

19.1 The BAC shall conduct post qualification to determine whether the bidder that is evaluated to have the Highest Calculated Bid complies with and is responsive to all requirements and conditions for eligibility and the bidding. The determination shall use non-discretionary *"PASS/FAIL"* criteria and be based upon examination, verification and validation of the documentary evidence of the bidder's eligibility and qualifications submitted by the bidder, pursuant to this ITB and the Technical and Financial Proposals. If the said bidder passes the post qualification, his bid shall be declared as the Highest Calculated and Responsive Bid.

20. Right of the BAC to Reject Any or All Bids

20.1 Notwithstanding the eligibility or post-qualification of a bidder, the BAC concerned reserves the right to review its qualifications at any stage of the procurement process if it has reasonable grounds to believe that a misrepresentation has been made by the said bidder, or that there has been a change in the bidder's capability to undertake the cargo handling services in the port from the time it submitted its eligibility and bidding requirements, statements or documents, or any changes in the situation of the bidder which will affect its capability to undertake such cargo handling services so that it fails the preset eligibility or bid evaluation criteria, the BAC shall consider the said bidder as ineligible and shall disqualify it from submitting a bid or from obtaining an award of the cargo handling contract.

20.2 The BAC reserves the right to reject any and all bids, declare a failure of bidding, or not award the cargo handling contract in the following situations:

a) If there is *prima facie* evidence of collusion between appropriate public officers or employees of the procuring entity, or between the BAC and any of the bidders, or if the collusion is between or among the bidders themselves, or a bidder and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition;

b) If the BAC is found to have failed in following the prescribed bidding procedures; or

c) For any justifiable and reasonable ground where the award of the cargo handling contract will not redound to the benefit of the Authority.

21. Award of Cargo Handling Contract

20.1 The Authority shall award the cargo handling contract to the successful bidder whose bid has been determined to be the Highest Calculated and Responsive Bid.

22. Notice of Award

22.1 The Authority shall issue a written Notice of Award to the bidder with the Highest Calculated and Responsive Bid prior to the expiration of the bid validity period, by registered mail, by hand or by facsimile. This Notice of Award shall state the proposed contract shall state the highest government share committed, together with the documentary requirements for the cargo handling contract.

23. Signing of the Cargo Handling Contract

23.1 Within ten (10) calendar days upon receipt of the Award, the successful bidder shall submit to the Authority:

a) its written confirmation to the Award;

b) the Contract form signed by the bidder;

c) the required performance security/bond at least one [1] month from receipt of the signed contract; and

d) all other documentary requirements for the cargo handling contract

24. Notice to Proceed

24.1 Within seven (7) calendar days from the date of approval of the cargo handling contract by the Authority, the Notice to Proceed shall be issued. Said Notice shall be confirmed by the successful bidder.

N.B.

Instructions to Applicants (ITA) for the conduct of Comparative Evaluation (CE) for CH Services shall be patterned after this ITB that is used for Public Bidding.

Annex III - C

BID DATA SHEET

ITB Clause	
1	The Scope of Bid is the management and operations of cargo handling (CH) services at the Port of _____. The CH services subject of the bidding include the following: 1. Arrastre service 2. Stevedoring service 3. *(NOTE: Include other services included in the bid.)*
5	The date and venue of the Pre-bid Conference is:
7	The address of the BAC is:
9.2	The "floor" and ""ceiling" prescribed for the financial bid are: "Floor": "Ceiling":
10.2	The form of bid security for this bidding shall be any of the following: cash; cashier's check; certified check; or bank guarantee.
10.7	The following shall be additional grounds for forfeiture of the Bid Security: 1. Submission of eligibility requirements containing false information or falsified documents. 2. Submission of bids that contain false information or falsified documents or the concealment of such information in the bids in order to influence the outcome of eligibility screening or any other stage of the public bidding. 3. Allowing the use of one's name or using the name of another for purpose of public bidding. 4. Withdrawal of a bid, or refusal to accept an award, or enter into contract with the Authority without justifiable cause, after he had been adjudged as having submitted the Highest Calculated Responsive Bid. 5. Refusal to clarify or validate in writing its bid during the post qualification within a prescribed period from receipt of the request for clarification. 6. Any document unsolicited attempt by a bidder to unduly influence the outcome of the bidding in his favor. 7. All other acts that tend to defeat the purpose of the competitive bidding, such as an eligible contractor not buying bid documents, and contractors habitually withdrawing from bidding or submitting letters of non-participation for at least three (3) times within a year, except for valid reasons.
13	The address for the submission of bids is: The deadline for submission is:
16	The place of the opening of bids is: The time and date of bid opening is:

Philippine Ports Authority

TERMS OF REFERENCE
For the Bidding (Comparative Evaluation) of Cargo Handling Services at the Port of _____

1. Introduction

1.1 The Philippine Ports Authority (PPA) wishes to engage the services of a cargo handling (CH) Operator to provide and manage CH and related services in the ports.

1.2 These Terms of Reference (TOR) are intended to convey the services and obligations required of the CH Operator.

2. Objectives

2.1 This TOR shall serve as guide to the eligible bidders (applicants) interested to participate in the public bidding (comparative evaluation) for the operations and management of CH services, specifically at the Port of _____(name of port)___, in _____(place)_____.

2.2 This part of the bid documents sets out the general conditions and operating conditions both of which shall be mandatory and will form part of the Contract for the Management and Operations of CH Services.

3. Scope of Services Subject to Bidding (Comparative Evaluation)

3.1 The scope of this bid is the management and operations of CH services at the Port of _____, which encompasses the area of _____ (exact area of operations), particularly defined and delineated in the Port Layout Plan, hereto attached as Annex "A"

3.2 The services to be provided include arrastre and stevedoring services. (NOTE: I*nclude other related services, if any*).

a) Arrastre service is the act of receiving, delivery, transfer, checking, sorting, piling, custody of cargo passing through the piers or wharves, its transit sheds or warehouses and open storage areas within the jurisdictional area of responsibility of the CH Operator.

b) Stevedoring service includes all work on board vessel that is the process or act of loading and unloading cargo, stowing inside hatches, compartments and on deck or open cargo spaces on board vessel. The related services to stevedoring are rigging ship's gears, opening and closing of hatches, securing cargo stored on board by lashing, shoring and trimming.

(***NOTE: Include the*** *description of other related services in the port which is included in the bid, to include among others, porterage, bagging, RORO, PTB services, or other service).*

4. Area of Operations and Duration of Contract

4.1 The operational area that is the subject of the bid shall cover the existing facilities particularly described and delineated in Annex "A", the Port Layout Plan.

4.2 The contract subject of the bid shall be for a period of (number in words) (in figures) years.

5. Financial Obligations and Responsibilities

5.1 The CH Operator shall remit to the Authority, not later than the fifth (5th) day of every month, a government share from the gross income in connection with the operations and management of arrastre, stevedoring and related CH services. The remittance of the government share is without prejudice to the implementation of the Authority of the direct or daily collection system.

5.2 Gross income shall include all income generated by the CH Operator from every source to include, but not limited to, arrastre, stevedoring and CH related services.

5.3 The CH Operator shall pay all lawful taxes and other impositions on all real properties within its area of responsibility which, at any, time may be levied upon its interests or activities covered by the Contract, by the government or its agencies, instrumentalities or political subdivisions.

5.4 The CH Operator shall secure the required insurances from the Government Service Insurance System (GSIS) for the government owned facilities and structures that the CH Operator shall be responsible for. The insurance policies shall be effective from the date of signing of the Contract and shall cover the contract period. All insurance-related costs shall be borne by the CH Operator.

5.5 The CH Operator shall, within one (1) month from signing of the contract, put up a required performance security/bond secured from the GSIS General Insurance Fund

The bond, until so released in writing by the Authority, shall remain in full force and effect and shall answer and guarantee the full and faithful compliance with each and every term, stipulation and condition of the contract and shall be further subject to pertinent provisions of existing and applicable rules and regulations.

5.6 The CH Operator shall pay charges relating to electrical and water supply, and communications and other utilities used within its area of responsibility.

5.7 The CH Operator shall establish and maintain a minimum amount of working capital as proposed in its bid to sufficiently meet its day-to-day operational needs, including claims arising from its operations.

6. Management and Operations of CH and Related Services

6.1 The CH Operator shall, within thirty (30) days from the date of signing of the Notice to Commence Operations (or signing of contract), submit to the Authority for approval a detailed implementation program based on the submitted Business Plan.

6.2 In accordance with its bid, the CH Operator shall immediately provide and maintain the minimum requirement of CH equipment/gears at the start of operations and ensure efficient services to port users in accordance with the standards set by the Authority.

6.3 The CH Operator shall procure and deploy additional and replacement equipment/ gears committed in its Business Plan according to its schedules.

7. Facilities and CH Equipment Owned by the CH Operator

7.1 The CH Operator shall provide, on its own account and expense, necessary facilities, CH equipment and gears and safety equipment/gears and shall be responsible for its security within its area of responsibility.

7.2 All facilities introduced by the CH Operator in the port in line with the Business Plans shall automatically belong to the Authority without any obligation on the part of the Authority to reimburse the CH Operator for the costs.

7.3 If during the contract period, CH equipment are procured by the CH Operator whose depreciation period is longer than the contract period, the existing contract shall not be deemed automatically extended to allow full depreciation.

8. Port Labor

8.1 The CH Operator shall employ and utilize existing port workers, subject to pertinent labor laws.

8.2 The CH Operator shall respect existing collective bargaining agreements, (CBA), if any, pursuant to pertinent labor laws.

8.3 The CH Operator shall put up the Port Labor Trust Fund (PLTF) which should be used only to finance the benefits of port workers who resign, retire or have been retrenched or whose services have been terminated due to changes in CH Operator. The PLTF should be sufficient to cover the retirement and separation benefits of all port workers computed on actuarial basis in accordance with existing guidelines.

9. Port Management Information System

9.1 The CH Operator shall undertake and implement appropriate management information systems or computer programs for its port operations and financial transactions, adoptable and compatible with the PPA MIS Computerization Project. The computer programs shall include, among others, the functionalities of the Port Operations Management System (POMS), the Account and Finance Management Systems (AFMS) and other functionalities implemented under said Project.

9.2 The computerization programs shall, save for confidential and privileged information, cover data transfer collaboration between the Authority and the CH Operator and other port stakeholders that will allow efficient handling of information.

10. Repair, Maintenance and Upkeep of Port

10.1 The CH Operator shall maintain the operational areas of the port in a clean, safe, usable and in proper working condition, at the CH Operator's expense and account.

11. Access to the Port Premises

11.1 The CH Operator shall ensure that access to the port and its premises shall be governed by a Port Security Plan to be adopted and implemented by the Authority. However, any person authorized by the Authority shall have, at any time upon prior and proper notification, access to the port premises.

12. Status of PPA Properties Upon Expiry of Contract

12.1 All properties owned and belonging to the Authority but made available to the CH Operator shall be returned to the former in good working conditions, unless otherwise stipulated in separate agreements.

12.2 Upon the expiration of the Contract, the CH Operator shall have a right of first refusal over the CH equipment and gears on the basis of its residual book value. The CH Operator shall cause the immediate removal of its property, equipment and assets over which the Authority has not exercised its right of first refusal, and return to their original condition, normal wear and tear excluded, those facilities on which such property, equipment and assets were installed.

12.3 The assets and amenities of the CH Operator shall, on expiry of the Contract, become ipso jure and free of charge the property of the Authority, free from al liens and encumbrances. All other properties shall be demolished by either by the Authority or the CH Operator at the expense and account of the latter.

12.4 When the CH Operator, with the authorization of the Authority, has carried out works other than those stipulated in its Business Plan, and said works are required to pursue operations of the port until expiry of the Contract, the amount of which shall not be greater than the residual book value of said works as ascertained on the date of expiry.

(NOTE: The foregoing TOR serves as a generic TOR of bidding or comparative evaluation (CE) of CH services.. Any inclusion of new/additional provisions or deletion of some provisions shall depend largely on the requirements of the CH services and the factors obtaining in a port subject to bidding.)

Annex III-E

CONTRACT FOR OPERATIONS OF CARGO HANDLING (CH) SERVICES

KNOW ALL MEN BY THESE PRESENTS;

This Contract made and entered into by and between:

PHILIPPINE PORTS AUTHORITY, a government corporation duly constituted and existing under and by virtue of Presidential Decree No. 857, as amended, with principal office at Marsman Building, Muelle de San Francisco Street, South Harbor, Port Area, Manila, represented herein by its General Manager, _____, duly authorized for this purpose by virtue of PPA Board Resolution No. 1896 dated 20 December 2001, a copy of which is hereto attached and made an integral part hereof as Annex "A", and hereinafter referred to as the **AUTHORITY**;

- and -

_____(Name of Cargo Handler)_____,
a private corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office and business address at _____,
represented herein by its duly authorized _____,
as evidenced by its _____ dated _____, a copy of which is hereto attached and made an integral part hereof as Annex "B", hereinafter referred to as the **CH OPERATOR.**

W I T N E S S E T H

WHEREAS, the **AUTHORITY** is empowered under Presidential Decree No. 857, as amended, to provide cargo handling services and other related services, whether on its own, by contract or otherwise, in any Philippine ports under its jurisdiction and the **CH OPERATOR** is capable and desirous of providing such services at the Port of _____.

WHEREAS, on _____, the **AUTHORITY**, pursuant to PPA Administrative Order No. 01-2001 granted the **CH OPERATOR** a _____ -year contract to operate CH services at the Port of _____ that had expired on _____;

NOW THEREFORE, for and in consideration of the foregoing premises, the **AUTHORITY** hereby grants unto and the **CH OPERATOR** hereby accepts the management and operations of arrastre, stevedoring and related CH services at _____ and on all vessels berthed thereat, under the following terms, conditions, stipulations and covenants, to wit:

1. **Term and Effectivity of Contract** - This Contract shall take effect upon approval and signing hereof by the parties and their instrumental witnesses and shall remain in force and effect for a period of _____ **(__) YEARS,** unless sooner terminated or cancelled for cause as provided for in Section 14 of this Contract.

2. **CH Services** - The **CH OPERATOR** shall manage, operate and provide arrastre, stevedoring and other related CH services to include, but are not limited to, the following activities:

Arrastre Services

a. Receive and load cargoes from and to ship's tackle with the use of dock (arrastre) gang and CH gears and equipment.
b. Check cargo by marks and quantity, acknowledge and sign tally sheets.
c. Sort and pile cargo onto consignee's trucks or in designated and PPA owned sheds, open storage or warehouse located inside the port prior to delivery or loading to vessel.
d. Check and recoup bad order and damaged cargoes whether bad order on board or bad order on pier if damage is caused by the **CH OPERATOR**.
e. Deliver or transfer cargo onto or receive from truck's tail of consignees or shippers transportation or ship tackle.
f. Secure cargo from pilferage or losses while under the **CH OPERATOR's** custody.
g. Provide manpower, equipment, and such other necessary CH gears for receiving, stowing, delivery, transfer, shifting and palletizing of cargo.
h. Provide checking services and report results to PPA when cargo is unloaded or loaded at shipside, to and from barges alongside vessels.

Stevedoring Services

a. Loading and unloading cargo, stowing inside hatches, compartments and on the deck or open cargo spaces on board vessels.
b. Rigging/unrigging of ship's gear, opening and closing of hatches, securing cargo stored on board by lashing, shoring and trimming.
c. Mooring and unmooring of vessels.

Bagging Services

Bag filling, weighing, palletizing, loading and/or storage of bagged cargo.

Roll-On Roll-Off Cargo Services

Signaling traffic control and management, supervision of loading/discharging of RORO cargoes and other RORO related services.

3. **Consideration** - In consideration of the rights and privileges granted to the **CH OPERATOR** and for the **CH OPERATOR** to share the burden of accelerated development, construction and maintenance of port facilities, the **CH OPERATOR** shall, remit to the **AUTHORITY**, without prejudice to the implementation by the latter of the direct or daily collection system, not later than the fifth (5th) day of every month (for the prior month's income) _____ **(__%) PERCENT** of the gross income for handling domestic cargo and _____ **(__%)**

PERCENT of the gross income for handling foreign cargo, whether billed/unbilled and collected/uncollected derived by the **CH OPERATOR** from all sources in connection with its arrastre, stevedoring and related CH services provided at said port.

Any obligation of the **CH OPERATOR** which is unpaid when due shall bear interest and a penalty charge in accordance with existing regulations.

It is further agreed that the consideration mentioned above is exclusive of the Value Added Tax (VAT) and the VAT due thereon shall be borne and paid for by the **CH OPERATOR.**

4. **Working Capital** - The **CH OPERATOR** shall establish and maintain the minimum amount of _____ **(P_____) PESOS** as Working Capital to sufficiently meet its day-to-day operational needs including claims arising from its operations, subject to the provisions of existing and applicable rules and regulations thereto.

5. **Authorized CH Tariff and Rates** - The arrastre, stevedoring and other related charges to be collected by the **CH OPERATOR** shall be those provided in the list attached herein as Annex "C", which shall form an integral part of this Contract, or such restructured and rationalized schedule, including RORO rates, as may be prescribed by the **AUTHORITY**.

6. **Performance Bond** - The **CH OPERATOR** shall, within one (1) month upon execution of this Contract, put up a Performance Bond in the amount of _____ **(P_____) PESOS** to be secured from the Government Service Insurance System (GSIS) General Insurance Fund pursuant to Administrative Order No. 33 of the President dated 25 August 1987. The amount of said bond shall be adjusted from time to time in accordance with the pertinent guidelines of the **AUTHORITY**. The bond, until so released in writing by the **AUTHORITY**, shall remain in full force and effect and shall answer and guarantee the full and faithful compliance with each and every term, stipulation and condition of this Contract, and shall be further subject to the provisions of existing and applicable rules and regulations thereto.

7. **Business Plan** – The **CH OPERATOR** shall fully comply with the commitments and conditions stipulated in the Business Plan which is attached hereto and made an integral part of this Contract as Annex "D" during the ____ (__) year contract period except those modified by the provisions of this Contract and failure to do so may cause the cancellation/termination of this Contract.

8. **CH, Safety and Related Equipment/Gear** - At the commencement of operations, the **CH OPERATOR** shall provide and maintain the required minimum CH, safety and related equipment/gear all in serviceable and readyline conditions, as enumerated in the list attached herein as Annex "E" which shall form an integral part of this Contract. Further that the **CH OPERATOR** shall comply with the scheduled commitment to procure and deploy additional and necessary CH equipment/gears during the ____ (__) year period as indicated in the CH Equipment Deployment Schedule attached hereto as Annex "F" which shall form an integral part of this Contract, to ensure fast, safe and efficient handling of cargoes and failure to do so shall likewise cause the cancellation of this Contract.

Provided, that the aforementioned list of equipment/gear shall be subject to periodic review, inspection, inventory and revision by the **AUTHORITY** taking into account the productivity rates required under Section 10 of this Contract.

Provided further, that except for such encumbrances or liens already existing on the date of effectivity of this Contract, the **CH OPERATOR** shall not execute any chattel mortgage, deed or conveyance or any other contract that may affect, encumber or impose any lien on any of the equipment or machineries used on the CH operations without prior approval to the **AUTHORITY**.

9. **Provision of Container Handling Equipment During the Contract Term** – The **CH OPERATOR** commits at its own expense and account, to procure and install container handling equipment as necessitated by the container traffic projections or volume of container traffic. The **CH OPERATOR**, therefore, commits to install one (1) unit mobile harbor crane when the container traffic carried by lift-on-lift-off (LOLO) vessels reaches _____ (_____) boxes at any given contract year, consistent with its commitment in its _____ (___) year Business Plan.

10. **Productivity Rates** - The **CH OPERATOR** shall expeditiously load and discharge all cargoes to and from vessels, weather and ship's gear permitting, at the rates specified in the Productivity Commitment List attached hereto as Annex "G" and made an integral part of this Contract.

Provided, however, the **CH OPERATOR's** productivity rates shall be subject to periodic review after its first year of operation, at the option of the **AUTHORITY**.

11. **Portworkers Retirement and Separation Fund (PRSF)** – The **CH OPERATOR** shall deposit and maintain a PRSF with a bank duly authorized and licensed by the Bangko Sentral of Pilipinas in the amount of _____ **(P_____ _____) PESOS,** pursuant to the pertinent provisions of the Compendium of Regulations on CH Operations. Said PRSF shall be used only to finance and pay benefits of portworkers and employees who resign, retire, have been retrenched or whose services have been terminated due to change of CH operator/contractor in the said port. The deposited amount may be adjusted to fully cover the retirement benefits of employees retiring during the term of this contract.

12. **Submission of List of Laborers/Workers** – In the interest of security and safety and for purposes of compliance with the provisions of this Contract and the existing laws concerning benefits due to workers, the **CH OPERATOR** shall, upon effectivity of this Contract and every six (6) months thereafter, submit to the **AUTHORITY,** a list of all its employees, workers or laborers.

13. **Visitorial Powers** - The **CH OPERATOR** shall make available at all times during office hours, for inspection, examination and audit by the **AUTHORITY**, the Commission on Audit and other government agencies exercising visitorial powers, all books of accounts, properties, inventories, payrolls and financial records of the **CH OPERATOR** and all other records concerning cargo received and delivered as well as all other labor agreements and contracts provided that the authority to inspect, examine and audit the records and books of accounts shall be exercised by the visiting officials concerned pursuant to and within the limits of the duties and functions vested upon their respective offices by express provision of law.

14. **Suspension, Cancellation or Termination of Contract** - The **AUTHORITY** may, without prejudice to other remedies against the **CH OPERATOR**, extrajudicially suspend, cancel or terminate this Contract on any of the following grounds:

a. Failure of the **CH OPERATOR** to remit on due date to the **AUTHORITY** any two (2) monthly committed government shares.

b. Overcharging of CH rates or collection of rates other than those prescribed in Annex "C" hereof.

c. Failure of the **CH OPERATOR** to post the required performance bond within one (1) month from the execution of this Contract or renew the same within one (1) month upon expiration of said bond.

d. Failure and/or refusal of the **CH OPERATOR** to fully comply with its commitments as specified in its submitted Business Plan (Annex "D").

e. Failure of the **CH OPERATOR** to provide and maintain in good operating condition the cargo handling, safety and related equipment/gears specified in Annex "E" and Annex "F" hereof.

f. Failure of the **CH OPERATOR** to attain the committed annual productivity rates as provided in Section10 hereof.

g. Failure of the **CH OPERATOR** to pay its employees, laborers, stevedores and dockworkers in accordance with the minimum wage law or failure to remit premiums to SSS, PhilHealth and fringe benefits as such obligations fall due.

h. Failure of the **CH OPERATOR** to establish, maintain and update the prescribed PRSF prescribed in Section 11 hereof.

i. Refusal of the **CH OPERATOR** to make available to COA auditors and PPA officials, who are vested with authority to conduct audit, its books of accounts and other documents for inspection and examination as provided in this Contract.

j. Refusal of the **CH OPERATOR** to submit to supervision, inspection and/or overseeing by the **AUTHORITY** and/or its duly authorized representative.

k. Change of control of the company arising from its sale, assignment, transfer or sub-contract in whole or in part, or other disposition of capital stock by the **CH OPERATOR** without the prior written consent and approval of the **AUTHORITY.**

l. Willful involvement/participation of the **CH OPERATOR** 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 vessels calling at the port resulting to the prejudice of the Authority, port users and others concerned.

m. Willful involvement of the **CH OPERATOR** or allowing others to engage in any other practices that will unduly cause the termination, suspension or disruption of the operations of CH and related services.

n. When the **CH OPERATOR"s** performance is rated or considered "FAILED" in accordance with the Performance Standard and Rating System of the **AUTHORITY**.

o. When national security so requires or if the **AUTHORITY** shall find that public interest can be better served by the cancellation or termination of this Contract in accordance with existing and applicable laws, rules and regulations thereto.

p. Performing other services inside the port without the written consent and approval of the **AUTHORITY**.

q. Violation or non-performance of any other terms and conditions of this Contract and the **CH OPERATOR** fails to remedy/perform the obligations within thirty (30) days from receipt of notice of violation or non-performance.

The suspension, cancellation or termination of this Contract shall not, however relieve the **CH OPERATOR** from any liability already incurred under this Contract.

15. **Notice of Violation or Non-Performance** - The **AUTHORITY** shall inform the **CH OPERATOR** in writing of any violation or non-performance of its commitments or undertaking specified in this Contract, giving the latter up to thirty (30) days from receipt within which to explain such violation. In the event such explanation is not satisfactory to the **AUTHORITY**, the **AUTHORITY** may suspend, cancel or terminate the Contract after due process.

16. **Attorney's Fees, Damages and Venue of Court Action** - Should the **AUTHORITY** be constrained to resort to court action to enforce or safeguard its rights and interests under this Contract, the **CH OPERATOR** shall be liable to the **AUTHORITY** for attorney's fees in the amount equivalent to twenty (20%) percent of the total sum claimed in the complaint, exclusive of other damages and expenses of litigation, but in no case less than One Hundred Thousand Pesos (P100,000.00). Venue of court action shall be laid solely and exclusively in the proper court of the City of Manila.

17. **Takeover by the Authority** - The **AUTHORITY** shall have the right to immediately take over the operations at subject port, including all equipment and structures thereof, in any of the following instances

a. In case of any emergency such as strikes, lock-out, stoppage of work and other causes of similar nature for the duration of such emergencies.

b. In case of violation of any of the terms and conditions of this Contract or the **AUTHORITY's** rules and regulations.

c. In case of cancellation or termination of this Contract.

d. In such other cases where the **AUTHORITY** deems that the takeover is warranted in order to protect and/or promote public interest.

18. **Policies of the Authority** - The **AUTHORITY** is currently in the process of reviewing existing policies, rules and regulations relative to the CH service. Such review includes, among others, the adoption and encouragement of port modernization among authorized CH Operators in the ports, as well as any amendment/modification of other pertinent requirements of the CH service to ensure efficient delivery thereof.

The **CH OPERATOR**, heretofore, agrees to comply with all the policies, rules and regulations generally applicable to all CH Operators specifically to the aforecitec policies on modernization, which may be issued after the execution of this Contract. Said policies shall also form part of this Contract.

19. **Other Conditions** – Upon the effectivity of this Contract, the **CH OPERATOR** shall:

a. Employ and utilize members of the existing labor force.

b. Respect existing Collective Bargaining Agreements (CBA), if any, and implement and carry over all current workers' benefits and privileges under the CBA if any, and company policy or practice.

c. Control pilferage or damage to cargo which shall not be more than one percent (1%) of the **CH OPERATOR's** gross income for the current year.

d. Accept liability and pay promptly to port users concerned for any loss, damage or non-delivery of cargoes, as adjudicated by the **CH OPERATOR** or as decided by the Cargo Claims and Arbitration Committee (CCAC).

e. Maintain at its own cost and expense the port facilities in a neat, clean, safe, usable and in proper working condition.

f. Provide safety signs/slogans and related notices in strategic places in the port premises.

g. Hire and assign security guards to protect cargoes under its custody and the number and deployment of which should be coordinated with the Port Manager accordingly.

h. Assign sweepers in the port and provide corresponding garbage receptacles in strategic locations thereat including removal of collected garbage from such receptacles.

i. Pay all the bills for utilities exclusively used by the **CH OPERATOR** within the area of its operations.

j. Assume payment of all real estate tax for all port facilities leased to the **CH OPERATOR.**

k. Secure the required insurance from the GSIS for the government owned facilities/structures that the **CH OPERATOR** shall be responsible for.

l. Maintain, implement and improve the firm for ISO-9002 (Quality Assurance Standard), ISO-14001 (Environmental Management Standard) and OHSAS 18001 (Occupational Health and Safety Standards).

m. Undertake and implement computerization programs for the **CH OPERATOR's** port operations and financial transactions, adoptable and consistent with the PPA MIS Computerization Project. Such computer programs shall include, among others, the functionalities of the Port Operations Management System (POMS), the Account and

Finance Management System (AFMS) and other functions implemented under said project.

n. The **CH OPERATOR** shall pay taxes in full and on time and that failure to do so shall entitle the **AUTHORITY** to suspend, cancel or terminate the CH services of the **CH OPERATOR**. Further, the **CH OPERATOR** shall during the term of this Contract regularly present to the **AUTHORITY** a tax clearance from the Bureau of Internal Revenue (BIR) as well as a copy of its income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments made thereon.

Further, the **CH OPERATOR** shall strictly comply with all the pertinent provisions and other PPA policies, rules and regulations applicable thereto, including those that may be issued or promulgated after the execution of this Contract.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures this _____ of _____, 200___ in the City of _____, Philippines.

Philippine Ports Authority (**Name of CH Operator**)

By: By:

_____ _____
General Manager **President**

SIGNED IN THE PRESENCE OF:

_____ _____

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of _____, Philippines, this _____ day of _____, 200___, personally appeared the following:

NAME	CTC No.	DATE	PLACE
_____	_____	_____	_____
_____	_____	_____	_____

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

POSITION	COMPANY	CTC NO.	DATE	PLACE
General Manager	_____	_____	_____	_____
President	_____	_____	_____	_____

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 Contract for Operations of Cargo Handling Services consisting of nine (9) pages, including this page on which this acknowledgment 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 200__

Annex II - F

BID SECURITY: SURETY BOND

BOND NO.: _____ DATE BOND EXECUTED: _____

By this bond, We _____(Name of Bidder)_____ (hereinafter called "the Principal") as Principal and _____(Name of Surety)_____ of the country of ____(Name of Country of Surety)____, authorized to transact business in the country of _____(Name of Country of Procuring Entity)_____ (hereinafter called "the Surety") are held and firmly bound unto __(Name of Procuring Entity)___ (hereinafter called "the Entity") as Obligee, in the sum of _____, Philippine Currency, callable on demand by the Entity for the payment of which sum, well and truly to be made, we, the said Principal and Surety bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.

SEALED with our seals and dated this _____ day of _____ 20_____.

WHEREAS, the Principal will submit a written Bid to the Entity on the ____(Date)____ day of ____(Month)____ 20_Year_, for the _____(Name of Contract)___ (hereinafter called "the Bid").

NOW, THEREFORE, the conditions of this obligation are that:

1) if the Principal withdraws his Bid during the period of bid validity specified in the Form of Bid; or

2) if the Principal does not accept the correction of arithmetical errors of his bid price in accordance with the Instruction's to Bidders; or

3) if the Principal having been notified of the acceptance of his Bid and award of contract to him by the Entity during the period of bid validity:

   a) fails or refuse to execute the Form of Contract in accordance with the Instructions to Bidders, if required; or

   b) fails or refuse to furnish the Performance Security in accordance with the Instructions to Bidders;

then the Entity shall call on the bond upon a written demand to the Surety, and the Surety shall pay the Entity up to the entered amount of the Bond, upon receipt by the Surety of a written demand from the Entity, without the Entity having to substantiate its demand, provided that, in the demand, the Entity will note that the sum claimed by it is due to the occurrence of any or combination of the three conditions stated above. In this case, this obligation shall remain in full force and effect, otherwise it shall be null and void.

PROVIDED HOWEVER, that the Surety shall not be:

   c) liable for a greater sum that the specified penalty of this bond, nor

   d) liable for a greater sum that the difference between the amount of the said Principal's Bid and the amount of the Bid that is accepted by the Entity.

This Surety executing this instrument hereby agrees that its obligation shall be valid for 120 calendar days after the deadline for submission of Bids as such deadline is stated in the Instructions to Bidders or as it may be extended by the Entity, notice of which extension(s) to the Surety is hereby waived.

PRINCIPAL _____ SURETY _____

SIGNATURE(S) _____ SIGNATURES(S) _____

NAME(S) AND TITLE(S) _____ NAME(S) _____

SEAL _____ SEAL _____

Annex III - F

FORM OF BID SECURITY (BANK GUARANTEE)

WHEREAS, _____(Name of Bidder)_____ (hereinafter called "the Bidder") has submitted his bid dated ___(Date)_____ for the _____(Name of Contract)____ (hereinafter called "the Bid").

KNOW ALL MEN by these presents that We ___(Name of Bank)__ of ___(Name of Country)__ having our registered office at _____(Address)_____ (hereinafter called "the Bank") are bound unto ____(Name of Procuring Entity)___ (hereinafter called "the Entity") in the sum of _____ for which payment well and truly to be made to the said Entity the Bank binds, himself, his successors and assigns by these presents.

SEALED with the Common Seal of the said Bank this _____ day of _____ 20___.

THE CONDITIONS of this obligation are that:

1) if the Bidder withdraws his Bid during the period of bid validity specified in the Form of Bid; or

2) if the Bidder does not accept the correction of arithmetical errors of his bid price in accordance with the Instruction's to Bidders; or

3) if the Bidder having been notified of the acceptance of his Bid and award of contract to him by the Entity during the period of bid validity:

   a) fails or refuse to execute the Form of Contract in accordance with the Instructions to Bidders, if required; or

   b) fails or refuse to furnish the Performance Security in accordance with the Instructions to Bidders;

we undertake to pay to the Entity up to the above amount upon receipt of his first written demand, without the Entity having to substantiate its demand, provided that in his demand the Entity will note that the amount claimed by it is due to the occurrence of any one or combination of the three (3) conditions stated above.

The Guarantee will remain in force up to and including the date _____ three (3) days after the deadline for submission of Bids as such deadline is started in the Instructions to Bidders or as it may be extended by the Entity, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this Guarantee should reach the Bank not later than the above date.

DATE _____ SIGNATURE OF THE BANK _____

WITNESS _____ SEAL _____

_____

(Signature, Name and Address)

Annex III-G

SAMPLE FORMS FOR THE BIDDING OF CARGO HANDLING SERVICES (CHS)

TABLE OF CONTENTS

PPA CH Bid Form

No. 1	Applicant's Letter of Intent (LOI)
No. 2	Certification that Applicant Company is not Blacklisted to Participate in the Bidding
No. 3	Affidavit of Disclosure of No Relationship with the Officials/Members Conducting the Bidding
No. 4	Applicant's Letter of Authority to Validate Submitted Documents
No.5	Certificate of Authenticity of Bid Documents Submitted
No.6	PPA Notice of Eligibility to Participate in Bidding
No.7	PPA Notice of Ineligibility to Participate in Bidding
No. 8	Notice of Pre-Bid Conference
No. 9	Notice of Post-qualification
No. 10	Notice of Post-Disqualification
No. 11	Notice of Award
No. 12	Notification of Bidding Results
No. 13	Notice to Proceed
No. 14	Joint Venture Agreement
No. 15	Cargo Handling Operator's Profile

PPA CHS
Bid Form No. 1

SAMPLE FORMS FOR THE BIDDING OF CH SERVICES

LETTER OF INTENT (LOI)

(Date)

(Name of Chairman, BAC)
BAC Chairman
Philippine Ports Authority
PDO
(Address)

Dear Sir:

In response to the "***Invitation to Apply for Eligibility and to Bid***" *for cargo handling services for the Port of* _____, *(address)*, which appeared at the (name of newspaper or website) on (date of advertising/posting), we would like to express our intention to apply for eligibility to participate in the said bidding.

If found eligible, we commit to purchase the Bidding Documents for the said bidding and to submit a bid therefore.

In this regard, we would like to purchase the set of Eligibility Forms for the bidding.

Very truly yours,

(Name of bidder or representive of bidder)
(Position)
(Name of company-bidder)

Received by the BAC:

_____
Date: _____

PPA CHS
Bid Form No. 2

Certification That Company is Not Blacklisted

(Date of Issuance)

(Name of Chairman of BAC)
(Chairman, BAC)
(Address)

Dear Sir:

In compliance with the requirements of the BAC and pursuant to the PPA Admin Order No. _____, dated _____, the undersigned hereby declares that the company intending to bid for cargo handling services for the Port of _____, the (company-bidder) is not blacklisted by the Philippine Ports Authority or other agencies.

Very truly yours,

(Name of the company-bidder or representative)

(Name of the company-bidder))

PPA CHS
Bid Form No. 3

Affidavit of Disclosure of No Relationship

I, _____, of legal age, _____(civil status)____, residing at _____, after being sworn in accordance with law, do hereby depose and say:

1. That I am the authorized representative of _____(name of company-bidder)_____ with office address at _____(address of company-bidder)_____.

2. That the company (or partnership, joint venture) or any of its officers, directors, controlling stock holders and members that I represent for the bidding of the Port of _____, is not related by consanguinity or affinity up to the third civil degree to the General Manager of the Philippine Ports Authority or to any of its officers or employees having direct access to information that may substantially affect the result of the bidding, such as, but not limited to, members of the BAC, TWG or Secretariat.

3. That I am making this statement in compliance with PPA Admin Order No. _____, dated _____ and in accordance with the requirements of the BAC.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20__, in the City of _____, Philippines.

_____
(Affiant)

SUBSCRIBED AND SWORN to before me this _____ day of _____.

_____
(Notary Public)

Doc. No. _____
Page No. _____
Book No. _____
Series of 20_____

PPA CHS
Bid Form No. 4

Letter of Authority to Validate Submitted Documents

_____(Name of BAC Chairman)_____
_____BAC Chairman_____
_____(Address of BAC)_____

Dear Sir:

Reference is made to our ***Application for Eligibility and to Bid*** for the management contract of the cargo handing services at the Port of _____.

In accordance with PPA Admin Order No. _____, dated _____, we/I hereby authorize the BAC or its authorized representative/s to verify the statements, documents and information submitted herewith to substantiate our eligibility to participate in the bidding for cargo handling services in said port.

You may contact the following persons to provide further information with regard to this bidding:

Bid Component	Contact Person	Tel./celphone No.	Fax No.
1. Technical Matters	_____	_____	_____
2. Financial Matters	_____	_____	_____
3. Personnel Matters	_____	_____	_____

Very truly yours,

_____
(Name of Company)

By:

_____
(Name & Signature of Authorized Rep)

Date: _____

PA CHS
Bid Form No. 5

Certificate of Authenticity

CERTIFICATION

I, ___(Representative of company-bidder)___, of legal age, ___(civil status)___, Filipino and residing at _____(Address of representative)_____, under oath, hereby depose and say:

1. That I am the ___(Position in the company-bidder)___ of the _____(name of company-bidder)___;

2. That each of the documents submitted is an authentic and original copy or a true and faithful reproduction of the original, complete and that all statements and information provided therein are true and correct; and

3. That I am making this statement as part of the eligibility requirement of ___(name of company-bidder)_____ for the Port of _____.

IN FAITH WHEREOF, I hereby affix my signature this _____ day of _____ 20___ at _____, Philippines.

_____
(Affiant)

SUBSCRIBED AND SWORN TO before me this _____ day of _____ 20___, affiant exhibiting to me his/her Community Tax Certificate No. _____ issued on_____ at _____, Philippines

_____
(Notary Public)

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

PPA CHS
Bid Form No. 6

Philippine Ports Authority

NOTICE OF ELIGIBIITY

(Date) _____

(Name of company-bidder) _____
(Address) _____

Dear Sir:

Based on the evaluation of your eligibility requirements for the bidding of cargo handling services at the Port of _____, we declare your firm as eligible to participate in said bidding. The cost of the Bidding Documents is (Amount) _____.

Please adhere to all the dates specified in the Invitation to Apply for Eligibility and to Bid.

Very truly yours,

(Name of BAC Chairman)
BAC Chairman

Received by the Bidder:

_____
Date: _____

PPA CHS
Bid Form No. 7

Philippine Ports Authority

NOTICE OF INELIGIBILITY

(Date)

(Name of Company Bidder)
(Address)

Dear Sir:

Based on the evaluation of your eligibility requirements for the bidding of cargo handling services at the Port of _____, we declare your firm as ineligible to participate in said bidding, for the following reasons:

1. xxx
2. xxx

Please feel free to contact us within seven (7) calendar days if there is any error provided in the elilgibility process, so that we could re-evaluate your application. However, updating your legal, financial and technical records pertaining to this bidding will not be accepted.

Very truly yours,

(Name of BAC Chairman)
BAC Chairman

Received by the Bidder:

_____
Date: _____

PPA CHS
Bid Form No. 8

Philippine Ports Authority

NOTICE OF PRE-BID CONFERENCE

_____(Date)_____

___(Name of Company-Bidder)___
_____(Address)_____

Dear Sir:

You are hereby invited to attend, together with all other eligible bidders, the ***Pre-Bid Conference*** of the bidding of cargo handling services at the Port of _____ set on _____(date and time)_____ at the _____(venue of conference)_____.

For your information and guidance.

Very truly yours,

___(Name of BAC Chairman)___
BAC Chairman

Received by the Bidder:

_____
Date: _____

PPA CHS
Bid Form No. 9

Philippine Ports Authority

NOTICE OF POST-QUALIFICATION

_____(Date)_____

____(Name of bidder)_____
____(Name of company-bidder___

Dear Sir:

After determining your bid as the Highest Calculated Responsive Bid for the cargo handling services at the Port of _____ and upon post-qualification involving the careful examination, validation and verification of the eligibility, technical and financial requirements that you have submitted for the said bidding, your company has successfully passed the post qualification. Your bid is, therefore, now considered as the Highest Calculated Responsive Bid and recommended for the contract for the management and operations of the cargo handling services at the Port of _____.

Upon the approval of this recommendation by the General Manager, we will issue the Notice of Award for the contract.

Very truly yours,

___(Name of BAC Chairman)__
BAC Chairman

Received by the Bidder:

_____
Date: _____

PPA CHS
Bid Form No. 10

Philippine Ports Authority

NOTICE OF POST-DISQUALIFICATION

_____(Date)_____

_____(Name of company-bidder)_____
_____(Address)_____

Dear Sir:

Upon post-qualification and careful examination, validation and verification of the eligibility, technical and financial requirements that you have submitted for the bidding of cargo handling services at the Port of _____, your bid failed to pass the post qualification, on the following grounds:

1. x x x

2. x x x

We look forward to your participation in the bidding of other cargo handling service contracts.

Very truly yours,

_____(Name of Chairman)_____
BAC Chairman

Received by the Bidder:

_____
Date: _____

PPA CHS
Bid Form No. 11

Philippine Ports Authority

NOTICE OF AWARD

_____(Date)_____

___(Name of company-bidder)___
_____(Address)_____

Dear Sir:

We are happy to notify you that the __(Name of company)__ is hereby awarded as the Bidder with the Highest Calculated Responsive Bid for a cargo handling contract at the Port of _____.

You are, therefore, required within ten (10) days from the receipt of this Notice of Award, to formally enter into contract with PPA and to submit the Performance Security/ Bond in the form and amount stipulated in the Instruction to Bidders. Failure to enter into the said contract or provide the Performance Security/Bond shall constitute a sufficient ground for cancellation of this award and forfeiture of your Bid Security.

Very truly yours,

_____
General Manager

Conforme:

__(Name of bidder or authorized representative)__
_____(Name of bidder)_____

Date: _____

PPA CHS
Bid Form No. 12

Philippine Ports Authority

NOTIFICATION OF BIDDING RESULTS

_____(Date)_____

___(Name of losing bidder)___
_____(Address)_____

Dear Sir:

We regret to notify you that the ___(Name of company-bidder)___ has been awarded to a competing contractor, the ___(Name of winning bidder)___, which has been evaluated and determined to be the Highest Calculated Responsive Bid for the cargo handling contract for the Port of _____.

We look forward to your participation in the bidding of other cargo handling services.

Very truly yours,

_____
General Manager

PPA CHS
Bid Form No. 13

Philippine Ports Authority

NOTICE TO PROCEED

_____(Date)_____

___(Name of Contractor)___
_____(Address)_____

Dear Sir:

The attached Cargo Handling Contract having been approved, notice is hereby given to ____(Name of Bidder)_____ to start cargo handling operations effective ___(date of contract)___, within ___(no. of days)___ from receipt of this Notice.

Upon receipt of this Notice, you are responsible to manage and operate the cargo handling services at the Port of _____.

Please acknowledge receipt and acceptance of this Notice by signing both copies in the space provided below. Keep one (1) copy and return the other copy to PDO _____.

Very truly yours,

_____
General Manager

I acknowledge receipt of this Notice on ____(date of receipt)_____

Name of Contractor or authorized representative: _____

Authorized signature: _____

PPA CHS
Bid Form No. 14

JOINT VENTURE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

That this JOINT VENTURE AGREEMENT is entered into by and between:

_____(Name)_____, of legal age, __(civil status)__, owner/proprietor of _____(company name)_____, and a resident of _____ __;

a n d

_____(Name)_____, of legal age, __(civil status)__, owner/proprietor of _____(company name)_____, a resident of _____ __.

That both parties agree to join together their capital, manpower, equipment and other resources and efforts to enable the Joint Venture to participate in the Eligibility Check, Bidding and Undertaking for the bidding of cargo handling services at the Port of _____, _____(address)_____ __.

That both parties agree to jointly and severally liable for their participation in the Eligibility Check, Bidding and Undertaking for said bidding.

That both parties agree that _____(name)_____ __ and/or _____(name)_____ shall be the Official Representative of the Joint Venture, and are granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the Joint Venture in the Eligibility Check, Bidding and Undertaking of the bidding, as fully and effectively and the Joint Venture may do and if personally present with full power of substitution and revocation.

That this Joint Venture Agreement shall remain in effect only for the above stated bidding until terminated by both parties.

Done this _____ day of _____ 20___ .

_____ _____

PPA CHS
Bid Form No. 15

Philippine Ports Authority

CARGO HANDLING OPERATOR'S PROFILE

_____(Date)_____

Name of Company
Tax Account No.:

General Information:

Address:
Tel. No./Celphone No.
Fax No.:
e-Mail Address:
Other relevant info:

Person Managing Affairs of Company:
Name:
Designation:
Tel/Celphone No.

Legal Aspect:

DTI Registration:
SEC Registration:
(Other legal document)

Financial Aspect:

Record Year	Total Assets	Current Assets	Total Liabilities	Current Liabilities	Total/Present Networth	Current Networth

CH Contracts/Permits:

Area of Operations	Date issued	Date Expired	Gov't Share Paid to PPA*

*Indicate if government share is percentage of gross or fixed fee/variable fee

Form V-a

CHECKLIST OF REQUIREMENTS FOR RENEWAL CH CONTRACT

[ ] Letter of Application for a Renewal Contract

[ ] Amended Articles of Incorporation / By-Laws of Corporation/Cooperative/ Partnership

[ ] SSS Official Receipts or Special Bank Receipt with SSS Form R-3

[ ] Latest Inventory of Existing CH and Safety Equipment and Gears

[ ] Business Plan

[ ] Audited/Certified Financial Statements for the last 3 years

[ ] Board Resolution Authorization of Signatory to the CH Contract

[ ] Tax Clearance and copy of latest income and business tax returns duly stamped and received by BIR and duly validated with the tax payments (E0 398)

[ ] Certification from the bank or service provider on the availability of Portwo kers Retirement and Separation Fund (PRSF)

[ ] Other related documentary requirements pertinent to and as may be necessary to evaluate and document the renewal contract.

NOTE: The letter of application of renewal contract and these requirements shall be submitted to the PMO for review, validation and evaluation at least six (6) months prior to the expiry of existing contract.

Form V-b

PHILIPPINE PORTS AUTHORITY
PMO _____
Office of the Port Manager

_____
(Date)

CERTIFICATION

This Office hereby certifies that it has evaluated the application provide _____ service/s of the applicant-operator named _____ for the Port of _____. The applicant has substantially complied with the requirements of PPA Admin Order No. _____ dated _____ and other pertinent PPA rules and regulations.

This Office further certifies that:

1. the Business Plan has been reviewed and the commitments contained therein properly validated and evaluated;

2. an ocular inspection of the applicant's existing cargo handling/safety equipment/gears was conducted and found sufficient for the first year of the contract;

3. the relevant documents hereto attached were properly reviewed and evaluated;

4. each page of the foregoing documents has been numbered consequently and duly signed over the printed name of the processor/evaluator of the PMO.

_____
Port Manager

Form V-c

EVALUATION CHECKLIST AND PROCEDURE ON APPLICATION FOR RENEWAL OF CH CONTRACT

REQUIREMENTS	ACTIONS TAKEN		
	CHO	PMO	PDO
A. APPLICANT OPERATOR 1. Submits application letter not later than six (6) months before expiration of existing contract.			
2. Submits Business Plan covering the CH contract term. 3. Submits original/authenticated copies of the following documents: a. Amended Articles of Incorporation/By-Laws of the CH firm. b. Updated/latest SSS & Philhealth remittances. c. Updated/latest Inventory of existing CH equipment & safety gears. d. Certified/Audited Financial Statements for the last 3 years. e. Tax Clearance from BIR together w/ copies of latest income and business tax returns duly stamped & received by the BIR and duly validated, with the tax payments made. f. Certification of Bank or service provider on availability of PRSF. g. Other documents as may be required (pls. specify)			
4. Submits completed application to PMO.			
B. PORT MANAGEMENT OFFICE 1. Evaluates & validates the committed projections in the CHO's Business Plan relative to the present & historical condition of the port as to cargo traffic, CH equipment, productivity & capitalization requirement, marketing strategy, safety & security program, etc.			
2. Evaluates the authenticity & correctness of the submitted documentary requirements including the following documents: a. Certification of Port Manager on capability of the CHO. b. Certification of Finance Officer of "No Outstanding Account" w/ PMO. c. Schedule of restructured CH Tariff. d. Previous CH contract/PTO. e. Sufficiency of PRSF based on actuarial computations.			
3. Submits evaluated documents with specific recommendation to PDO concerned.			
C. PORT DISTRICT OFFICE 1. Evaluates validity of CHO's commitments in its Business Plan.			
2. Prepares and signs PDO Joint Memorandum with the PDO's specific recommendation.			
3. Prepares draft CH contract for submission to CHEC/Head Office for approval.			

Code of Action Taken: **"S"** for SUBMITTED; **"E"** for EVALUATED; **"R"** for RECOMMENDED

Reviewed/Evaluated By: **Date Checklist Prepared**:

PMO: _____ _____

PDO: _____ _____

Form V-d

PDO JOINT MEMORANDUM
PDO _____

Date _____

F O R : The General Manager

T H R U : The Asst. General Manager for Operations

SUBJECT : **Renewal Application for CH Contract of**
_____

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

SUMMARY:

_____
_____
_____

COMMENTS/EVALUATION:
OPERATIONAL:

_____
_____
_____

LEGAL:

_____
_____
_____

RECOMMENDATION/S:

_____
_____
_____

_____ _____
Technical Services Div. Legal Affairs Division

_____
District Manager

(Note: Use Additional sheet if necessary.)

Form V-e

PHILIPPINE PORTS AUTHORITY
Port Operations & Services Dept.

CARGO HANDLING OPERATOR's INFO/DATA SHEET

1. Name of CHO : _____
2. President/General Manager: _____
3. Specific Area of Operations: _____
4. Type of Service/s : _____
5. Year Start of Operations : _____
6. No. of CH Contract/PTO Already Issued : _____
7. Expiry Date of Latest CH Contract/PTO/Holdover Authority Issued: _____
8. Proposed Contract:
   - 8.1 Term of Contract: _____ years
   - 8.2 Proposed Gov't Share: _____
   - 8.3 Amount of Performance Bond Secured from GSIS after contract approval: _____
   - 8.4 Working Capital : _____
   - 8.5 Productivity Rates (In gross/gang hour)

(Mode of Handling)	(Prod. Rate)
_____	_____
_____	_____
_____	_____
_____	_____

   - 8.6 Cargo Thruput; Gross Income; Amt of Gov't Share for last 3 years based on ICD/ICS Audit; Amount of Portworkers Separation & Retirement Fund (PSRF)

Year	Cargo T-put	Gross Income	Gov't Share	P R S F
____	_____	_____	_____	_____
____	_____	_____	_____	_____
____	_____	_____	_____	_____

   Public Hearing Conducted:
   - a. Date Conducted : _____
   - b. Summary of groups, organizations, associations, agencies, & stakeholders: _____
   - c. Significant comments/agreements/recommendations: _____
   - d. Recommendation/s: _____
   - 8.7 Outstanding accounts with PPA, if any: _____
   - 8.8 Latest Performance Audit (ICD/ICS):
     - a. Period Covered: _____
     - b. Significant Findings & Recommendations: _____

Prepared By:

_____
(Name & Designation

Noted By:

_____
(Name & Designation)

Date Prepared: _____

Annex-VII

List of PPA Regulations and Issuances on CH Operations (Repealed by this Order)

a) **PPA Administrative Orders**

1) Administrative Order No. 01-2003 April 14, 2003	Use of Equipment Not Owned by CH Contractors for CH Activities
2) Administrative Order No. 02-2001 December 20, 2001	Amendment to Section 4.11 of PPA Administrative Order No. 10-81(on Tail-End Delivery Receipt)
3) Administrative Order No. 01-2000 March 16, 2000	Guidelines for the Establishment and Operationalization of the Portworkers Social Amelioration Program
4) Administrative Order No. 03-2000 February 15, 2000	Revised Guidelines in the Conduct of Public Bidding and Comparative Evaluation for CH Services
5) Administrative Order No. 05-99 April 26, 1999	Amendment of PPA Admin. Order No. 03-90 Re: Implementing Guidelines on the CH Contract System
6) Administrative Order No. 02-99 March 5, 1999	Amending Provision No.10 of PPA Administrative Order No. 05-95 and Related Matter
7) Administrative Order No.10-95 January 13, 1995	Guidelines on the Revocation/ Cancellation of Contracts/ Permits for CH Services or CH Contract Recall (CHCR)
8) Administrative Order No. 05-95 November 20, 1995	Regulations on Domestic Roll-On-Roll-Off (RO-RO) Transport Operations and Rates/Charges
9) Administrative Order No. 03-95 February 16, 1995	Supplemental Guidelines to PPA Administrative Order No. 06-81 Entitled "Implementing Guidelines on Mooring and Unmooring of Lines of Vessels Alongside Pier, Wharf, Etc.

10) Administrative Order No. 02-95 January 18, 1995	Revised Guidelines in the Implementation of the Vessel Operations Commitment (VOC) Between Authorized CH Contractor and Vessel Owner/Agent
11) Administrative Order No. 10-95 January 13, 1995	Guidelines on Revocation/ Cancellation of Contract Permits for CH Services or CH Contract Recall (CHCR)
12) Administrative Order No. 03-90 May 14, 1990	Implementing Guidelines on the CH Contract System with Info to Prospective Bidders, Instruction to Bidders, Bidding Procedures, Selection Factors for Comparative Evaluation
13) Administrative Order No. 07-86 November 24, 1986	Cargo Handling at Loading/ Unloading Terminals Along Rivers
14) Administrative Order No. 01-84 October 30, 1984	Amendments to PPA Admin. No. 10-83, Series of 1983, Prescribing Guidelines on the Safe Transport of Containerized and Conventional Cargoes
15) Administrative Order No. 10-83 December 20, 1983	Prescribing Guidelines on the Safe Transport of Containerized and Conventional Cargoes
16) Administrative Order No. 07-83 August 23, 1983	Prescribing Guidelines on the Operations of the Weighbridges at the South Harbor, Port of Manila and the Rates for the Use Thereof
17) Administrative Order No. 12-81 October 21, 1981	Guidelines in the Proper Disposition of Overstaying and/or Abandoned Domestic Cargoes Within the Port Premises
18) Administrative Order No. 10-81 April 13, 1981	General Conditions on Contracts/Permits for the Management and Operations of CH Services

19) Administrative Order No. 06-81 June 8, 1981	Implementing Guidelines on Mooring and Unmooring of Lines of Vessels Alongside, Pier, Wharf, Etc.
20) Administrative Order No. 04-81 April 20, 1981	Guidelines in the Processing of Cargo Claims for Documentation of Cargo Shipments and Creation of a Local Cargo Claims Arbitration Committee in Each and Every PMU of PPA
21) Administrative Order No. 10-79 May 8, 1979	Amending Par. 11 of PPA Administrative Order No. 15-78 Entitled "Posting of Performance Bond by CH Operators
22) Administrative Order No. 15-78 September 25, 1978	Posting of Performance Bond by CH Operators
23) Administrative Order No. 13-78 September 6, 1978	Proper Markings of Cargoes for the Identification Purposes
24) Administrative Order No. 22-77 December 9, 1977	Prescribing Guidelines/ Requirements for the Operations of Arrastre-Stevedoring Services in all Ports of the Philippines

b) <u>PPA Memorandum Circulars</u>

25) Memorandum Circular No. 32-2003 November 19, 2003	Guidelines, Documentation and Procedures, on Container Transfer Under Shipping Lines Custody
26) Memorandum Circular No. 45-2000 October 31, 2000	Palletizing and Stockpiling of Non-Containerized Cargo as Part of Regular CH Services
27) Memorandum Circular No. 26-2000 May 29, 2000	Port Labor Trust Fund (PLTF)
28) Memorandum Circular No. 09-2000 February 21, 2000	Amendments of Sec. 6.3.4 of PPA Administrative Order No. 03-2000
29) Memorandum Circular No. 52-99 November 11, 1999	Clarification of Sec. 2 Re: Statement of Policies of PPA Administrative Order No. 03-90

30) Memorandum Circular No. 34-99 July 13, 1999	Amendments to PPA Memo Circular No. 03-92 (Guidelines on Porterage Operations and Rate Determination on Philippine Ports
31) Memorandum Circular No. 29-99 June 11, 1999	Clarificatory Guidelines on the Provision of Line Handling Services and Corresponding Rates Thereto
32) Memorandum Circular No. 26-99 June 1, 1999	Twenty Four (24) Hour Work Schedule by CH Contractors/ Operators
33) Memorandum Circular No. 08-99 February 11, 1999	Clarificatory Guidelines When to Declare Failure of Public Bidding of CH Services in Ports
34) Memorandum Circular No. 47-97 November 6, 1997	Amending Sec. 4 of PPA Memo Circular No. 06-81 Dated April 22, 1981 re: Clarifying the Term "ISO Container"
35) Memorandum Circular No. 34-96 August 5, 1996	Maintenance of a Twenty-Four (24) Hour Work Schedule by CH Contractors/Operators
36) Memorandum Circular No. 32-96 August 19, 1996	Clarificatory Guidelines on the Treatment of Areas Utilized for Storage and Parking of CH Equipment and Gear
37) Memorandum Circular No. 07-96 February 2, 1996	Clarificatory Guidelines on One-Year Permit to Operate CH Services in Low Cargo Volume Government Ports Relative to Executive Order 212
38) Memorandum Circular No. 27-94 September 27, 1994	Revised Guidelines on the Requirements for CH/Contracts or Permit and Related Matters
39) Memorandum Circular No. 01-94 January 20, 1994	Issuance of Hold-Over Authority to Render CH Services
40) Memorandum Circular No. 19-93 July 6, 1993	PPA Board Resolution No. 1250 in Relation to Ex-Com Resolution No. 91-195

41) Memorandum Circular No. 07-92 March 24, 1992	Guidelines on Porterage Operations and Rates Determination in Philippine Ports
42) Memorandum Circular No.18-91 April 30, 1991	Supplemental Guidelines to Administrative Order No. 03-90 dated May 14, 1990 re: Implementing Guidelines on the CH Contract System
43) Memorandum Circular No. 51-90 November 21, 1990	Extension of Tenure of CH Contracts Pursuant to Board Resolution No. 1010
44) Memorandum Circular No. 47-90 October 30, 1990	Revised Contract Terms for CH Services in Government Ports
45) Memorandum Circular No. 41-90 September 24, 1990	Amendments to Guidelines in the Evaluation of Application for Renewal of CH Contracts
46) Memorandum Circular No. 13-89 April 11, 1989	Posting of Performance Bonds by CH Operators/Contractors from the General Insurance Fund of GSIS
47) Memorandum Circular No. 37-88 November 24, 1988	Clarification Guidelines in the Granting of CH Permits Relative to Operations at the Anchorage
48) Memorandum Circular No. 35-88 November 25, 1988	Contract Terms for Various Government Ports
49) Memorandum Circular No. 32-88 October 13, 1988	Supplemental Guidelines in the Evaluation of Application for Renewal Contracts or Permits to Operate CH and Other Related Services in Ports
50) Memorandum Circular No. 08-88 February 8, 1988	Policies on the Cargo Handling Contract System
51) Memorandum Circular No. 30-85 August 16, 1985	Clarification on Fertilizer to be Considered as Dangerous Cargo
52) Memorandum Circular No. 28-85 July 15, 1985	Guidelines on the Handling and Storage of Dangerous Cargoes

53) Memorandum Circular No. 47-85 December 27, 1985	Clarification on the Proper Application of Sec. 113 (Integration of CH Services) of PPA Admin. Order No. 13-77 entitled "General Port Regulations of the Philippine Authority" and Par. 2.3 (Area of CH Operations for Private Ports) of PPA Memorandum Circular No. 36-83, Re: Policy on Private Sector Participation In Port Development"
54) Memorandum Circular No. 27-85 July 19, 1985	Clarification of the Choice of CH Operators at t City/Municipal Port Under Sec. III Art. X of PPA Administrative Order No. 13-77 Dated September 2, 1977
55) Memorandum Circular No. 09-84 July 15, 1985	Guidelines on Maneuvering of Trailers and Cranes/Winches
56) Memorandum Circular No. 27-82 September 22, 1982	Clarificatory Guidelines in the Proper Handling of Bagged Cereals and Other Grain Products
57) Memorandum Circular No. 06-81 April 22, 1981	Clarifying the Term "ISO Container"
58) Memorandum Circular No. 22-79 May 27, 1979	Revised Guidelines on the Processing of Applications for Arrastre/Stevedoring Permits

c) **PPA Memorandum Orders Numbered**

59) Memorandum Order No. 25-2002 July 3, 2002	Regulations on the Proper Marking and Labeling of Dangerous Cargoes
60) Memorandum Order No. 05-2002 February 4, 2002	Strict Implementation of the Annual Reporting System (ARS) for CH Operators
61) Memorandum Order No. 08-2001 March 30, 2001	Suspension of All CH Bidding & Awards as Well as Publications Relative to Invitations to Prequalify and to Bid for Various CH Services

62) Memorandum Order No. 32-98 October 7, 1998	Clarifying Mooring/Unmooring Services as Component of CH Services
63) Memorandum Order No. 29-98 July 31, 1998	Granting "Holdover Permits" to Cargo Handlers With Expired Contracts
64) Memorandum Order No. 14-96 October 1, 1996	Issuance of Extension of Hold-Over Authorities for Expired Permits to Operate CH Services
65) Memorandum Order No. 09-96 September 2, 1996	Issuance and Extension of Hold-Over Authorities for Expired/ Expiring CH Contracts
66) Memorandum Order No. 03-95 April 12, 1995	Guidelines on the Issuance of Hold-Over Authority (HOA) and Temporary Permit to Operate (PTO) for CH Services
67) Memorandum Order No. 10-89 August 3, 1989	Guidelines in the Implementation of VOC Between Authorized CH Contractor and Vessel Owner/ Agent
68) Memorandum Order No. 04-87 February 27, 1987	Guidelines on Productivity Rates of Cargo Handlers/Operators at the Baseports and Subports
69) Memorandum Order No. 40-86 November 12, 1986	Creation of CH Evaluation and Franchising Committee (CHEFCOM)
70) Memorandum Order No. 16-85 April 26, 1995	Implementation of the Annual Reporting System for CH Operators
71) Memorandum Order No. 21-77 May 27, 1977	Implementing Guidelines on Applications for and Processing of Permits to Operate Arrastre, Stevedoring, Porterage and/or Other CH Services and Collection of Permit Fee

d) **PPA Memorandum Orders (Unumbered)**

72) Memorandum to All DMs and PMs, Others Concerned May 13, 2003	Deadline for the Issuance/Award of Probationary CH Contracts

73) Memorandum to All Concerned August 6, 2002	Reiteration of the Twenty-Four (24) Hour Work Schedule by All CH Operators
74) Memorandum to All DMs, PMs and Others Concerned August 29, 2001	Grant of Probationary Contracts for CH Services
75) Memorandum to All PDM/PMs August 28, 2001	Compliance to Port Labor Trust Fund
76) Memorandum to All PDM/PMs October 5, 2000	Compliance to Port Labor Trust Fund
77) Memorandum to All DMs and Chairman of PBACs for CH Services in Government Ports March 20, 2000	Lifting of the Suspension of All On-Going Public Bidding for CH Services
78) Memorandum to All PDO/PMO Managers September 17, 1998	List of Officers, Employees and Workers of CH Operators
79) Memorandum to All PDO/PMO Managers, Others Concerned August 19, 1998	Clarifications on PPA Memo Order No. 29-98 re: Granting "Hold Over Permit " (HOP) to Cargo Handlers with Expired CH Contracts
80) Memorandum to All District Managers August 15, 1997	Guidelines on the Implementation of CH Compliance (CHC) Report
81) Memorandum to All Concerned May 21, 1991	Monitoring Compliance with Terms and Conditions of CH Contracts/Permits

e) **PPA Operations Memorandum Circulars**

82) Operations Memorandum Circular No. 01-2002 February 21, 2002	Monthly Gross Income Reports of CH Operators in Government Ports
83) Operations Memorandum Circular No. 01-99 February 12, 1999	Double Handling Charges on Personal Baggage
84) Operations Memorandum Circular No. 01-98 December 29, 1998	Permit/Contract to Operate Port and Port Related Services in the Ports or Port Districts

f) PPA Operations Memorandum Orders

85) Operations Memorandum Order No. 05-2002 September 20, 2002	PPA Memorandum Circular No. 58-99 and PPA Memorandum Circular No. 45-2000 (Clarifying Palletizing and Stock Piling Activities)
86) Operations Memorandum Order No. 01-2002 January 7, 2002	Prompt Submission of the Semi-Annual Productivity Summary Report (PSR)
87) Operations Memorandum Order No. 02-99 March 8, 1999	Additional Operational Guidelines for the Use of the Port Facilities

Annex- VIII

List of Legal Bases and PPA Issuances/References in the Implementation of the Compendium of Regulations on CH Operations

Policy Bases

1. Presidential Decree No. 20-857	Revised Charter of the Philippine Ports Authority
2. Letter of Instruction No. 1005-A	Collection of Government Share and Strealining the Procedure for Processing and Selecting the Awardees of Special Permits, Memoranda of Agreement and Management Contracts Under the Franchise-Granting Power of PPA
3. COA Decision No. 1222 January 26, 1990	PPA Can Enter Into a Negotiated Contract
4. Presidential Decree No. 442, as Amended	The Labor Code of the Philippines, as Amended

Existing PPA Issuances

1. Annual Report Instruction Manual	Annual Reporting System (ARS) for CH Operators
2. Administrative Order No. 13-77 September 2, 1977	General Port Regulations of the Philippine Ports Authority
3. Administrative Order No. 22-95 December 5, 1995	Revised Guidelines on Real Estate Management
4. Administrative Order No. 13-96 September 12, 1996	Prescribing PPA Performance Standards and Rating System (PSRS) for CH Contractors and Providing Sanctions Therefor
5. Administrative Order No.08-97 September 4, 1997	Code of Safe Handling Storage and Transport of Dangerous Cargoes in Ports
6. Administrative Order No. 06-99 June 2, 1999	Dockwork Safety and Health Standards
7. Administrative Order No. 04-2000 February 18, 2000	Occupational Safety and Health Standards of DOLE