



Republika ng Pilipinas  
PANGASIWAAN NG DAUNGAN NG PILIPINAS  
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08 February 1988

PPA MEMORANDUM CIRCULAR  
NO. 08 - 88

T O . All Port Managers, Cargo Handlers/Operators,  
Port Users and Others Concerned

SUBJECT : Policies on the Cargo Handling Contract  
System

For your information and guidance, the policies on the cargo handling contract system which were approved by the PPA Board of Directors in its Resolution No. 912 are hereby circularized:

A. Policies

1. As a general rule, all cargo handling services in all government ports (including commercial private ports) shall be awarded through the system of public bidding, except in the following cases.
  - a. Cargo handling services in ports whose contractors have existing and/or expired cargo handling contracts but whose performance are found to be satisfactory shall be granted another renewal of their contracts.
  - b. Cargo handling companies/firms with one year permits and have already been in operation for at least six (6) months, shall be evaluated and if found deserving, shall be awarded contracts.
  - c. Cargo handling services in ports with low cargo volumes and where the handling operations are primarily manual.

B. Audit of Cargo Handling Services

1. In order to determine the eligibility of the cargo handlers for continuance in the service, their recent over-all performance (operational, financial, managerial/organizational) shall be audited by PPA. If their performance is satisfactory and they do not have outstanding obligations to PPA, labor and port users, they shall be awarded contracts as above stated (A-1 (a) and (b)).

PPA MEMORANDUM CIRCULAR

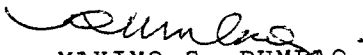
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2. Accordingly, the operations of cargo handling contractors even those whose application for contracts/permits have already been evaluated shall be audited if no performance audits have been conducted thereon for the last six (6) months of operations.
  3. The cargo handling operators concerned shall cooperate with the PPA audit team and their refusal to submit to such audit or to furnish or conceal from the audit team relevant documents/records shall be a ground for PPA to open said services to public bidding.
- C. Mechanics/Criteria of Public Bidding/Comparative Evaluation
- The mechanics/criteria of the public bidding/comparative evaluation for cargo handling applicant-operators are being formulated. Their significant features shall be subject to public hearing.
- D. Ports with Low Volume Cargo
- Study is being conducted on what ports shall be considered as ports with low cargo volumes and whose handling operations are primarily manual. The cargo handling services at these ports shall be awarded through comparative evaluation instead of public bidding which entails tedious process, greater expense and time.
- E. Term of Contract
- Contract term is dependent upon the capital and equipment requirements of the port but should not be less than:
- a. Eight (8) years for the country's major port facilities, e.g. South and North Harbors
  - b. Five (5) years for the base and equivalent ports
  - c. Three (3) years for all other ports.
- F. Limitation of Cargo Handlers
- The winning operators shall be limited to at most two (2) major, base or equivalent port facilities during the lifetime of any cargo handling contract with PPA. No such limitation shall be imposed in case of all other port facilities.

  
MAXIMO S. DUMACAO, JR.  
General Manager

By the General Manager

  
CLEMENCIA M. TOTOC  
Manager, Administrative Services Department