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# PHILIPPINE PORTS AUTHORITY

Port Rules and Regulations 2009





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## **Port Rules and Regulations 2009**

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**Port Rules and Regulations  
2009**

Published by the  
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## **FOREWORD**

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The **PPA Port Rules and Regulations**, a series of books published by the Philippine Ports Authority's Commercial Services Department, is the first printed publication which puts under one cover current port regulations of the Authority.

It answers the call of the national government to simplify and document governmental procedures and provide the necessary information that will enable the public to transact business with the public sector in the easiest and most transparent manner.

However, because of the number of rules and regulations issued by the PPA since its establishment in 1974, it is almost impossible to print all the relevant issuances at one time. Hence, the port rules and regulations are printed in a series of volumes.

This book covers rules and regulations issued in the year 2009.

Other volumes already completed and the years covered by each are:

Port Rules and Regulations Volume 1	(1991-1992)
Port Rules and Regulations Volume 2	(1990)
Port Rules and Regulations Volume 3	(1989)
Port Rules and Regulations Volume 4	(1993)
Port Rules and Regulations Volume 5	(1988)
Port Rules and Regulations Volume 6	(1994)
Port Rules and Regulations Volume 7	(1986-1987)
Port Rules and Regulations Volume 8	(1985)
Port Rules and Regulations Volume 9	(1995)
Port Rules and Regulations Volume 10	(1996)
Port Rules and Regulations Volume 11	(1997)
Port Rules and Regulations Volume 12	(1998)
Port Rules and Regulations Volume 13	(1999)
Port Rules and Regulations Volume 14	(2000)
Port Rules and Regulations 2001	
Port Rules and Regulations 2002	
Port Rules and Regulations 2003	
Port Rules and Regulations 2004	
Port Rules and Regulations 2005	
Port Rules and Regulations 2006	
Port Rules and Regulations 2007	
Port Rules and Regulations 2008	

Issuances included in the book are those which are of interest to the port clientele, specially those that bear on their operations in the ports.

The material is arranged by subject heading and then by the date and number of the issuance.

Whenever possible and space permits, the book includes related issuances from the Office of the President and from other government agencies which have influenced or directed the adoption of certain policies, rules and regulations within the Authority.

At the bottom of some issuances is the effectivity date of the rule and regulation, and the name and date of the newspaper of general circulation where it was published.

A **QUICK REFERENCE INDEX** is likewise provided so that the reader can find the issuance quickly.

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# CONTENTS

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## PHILIPPINE PORTS AUTHORITY Port Rules and Regulations 2009

	Page
Foreword .....	i
The Philippine Ports Authority .....	12
<b>CARGO HANDLING CHARGES</b>	
Memorandum Circular No. 01-2009..... 50%-50% Sharing Scheme on the Arrastre Fees in Instances Where the Cargo Handling Operators (CHO) Utilize Equipment of the Shipping Lines in Rendering Service to Vessels and Cargo Owners	15
Unnumbered Memorandum Dated February 20, 2009..... 15% Cost-Recovery Adjustments in RO-RO Terminal Fee (RRTF)	16
Memorandum Circular No. 05-2009..... Tariff Adjustment on Cargo-Related Charges for Foreign Containerized and Non-Containerized Cargoes at SH and MICT	17
BoardCom Resolution No. 2009-1176.....	18
Resolution No. 2184.....	19
Operations Memorandum Circular No. 01-2009..... Upward Adjustment on Cargo-Related Charges for Foreign Containerized and Non-Containerized Cargoes at South Harbor and MICT	20
Memorandum Circular No. 05-2009..... Tariff Adjustment on Cargo-Related Charges for Foreign Containerized and Non-Containerized Cargoes at SH and MICT	31
Operations Memorandum Circular No. 04-2009..... Adjustment of Conversion Rate Used in the Computation of Vessel Charges on Foreign Containerized Cargoes at MICT and South Harbor	32
Memorandum Circular No. 21-2009..... Uniform Share of the RO-RO Terminal Fee (RRTF)	43
Memorandum Order No. 67-2009..... Suspension of PPA Memorandum Circular No. 21-2009	45
Memorandum Circular No. 24-2009..... Second Tranche Increase on Cargo-Related Charges for Foreign Containerized and Non-Containerized Cargoes at South Harbor (SH) and Manila International Container Terminal (MICT)	46



Operations Memorandum Circular No. 09-2009 .....	47
Second Tranche Increase on Cargo-Related Charges for Foreign Containerized and Non-Containerized Cargoes at South Harbor and Manila International Container Terminal (MICT)	

Memorandum Circular No. 24-2009 .....	48
Second Tranche Increase on Cargo-Related Charges for Foreign Containerized and Non-Containerized Cargoes at South Harbor (SH) and Manila International Container Terminal (MICT)	

**CARGO HANDLING OPERATIONS**

Administrative Order No. 03-2009 .....	59
Amendment to Article III (Guidelines in the Conduct of Public Bidding) of PPA Administrative Order No. 01-2006	

Memorandum Circular No. 09-2009 .....	164
Submission of Dangerous Cargo Manifest/List	

Memorandum Circular No. 23-2009 .....	167
Mandatory Weighing of Containers and RO-RO Vehicles	

**DREDGING**

Memorandum Order No. 23-2009 .....	169
Adjusted Rates for Rental/Hiring of Survey Boat, Equipment and Personnel	

**PILOTAGE**

Unnumbered Memorandum Dated March 09, 2009 .....	170
Direct Collection of 10% Government Share from Pilotage Income	

Administrative Order No. 09-2000 .....	171
Amendment to PPA Administrative Order No. 15-95 (Guidelines on Pilotage Rates and PPA Revenue from Pilotage Services)	

Unnumbered Memorandum Dated March 13, 2009 .....	173
10% Government Share from Pilotage Services	

Unnumbered Memorandum Dated December 20, 2004 .....	174
Further Clarifying Paragraph 2, Section 6.3 of PPA Administrative Order No. 04-2003 Entitled "Guidelines on the Pilotage Services to be Rendered in All Ports and the Corresponding Fees Therefore"	

Operations Memorandum Circular No. 05-2009 .....	177
Continued Collection of the Ten Percent (10%) Government Share from Pilotage Services	

OGCC Letter Dated 2 June 2009 .....	178
Whether or Not PPA Can Continue to Collect the Government Share on	

---

Pilotage Fee Despite the Adverse Decision of the Regional Trial Court in the Civil Case No. 02-104716 entitled “United Harbor Pilots Association of the Philippines vs. PPA”	
Supreme Court Resolution Dated 04 March 2009 .....	181
Unnumbered Memorandum Dated 01 April 2009 .....	182
Collection of Ten Percent (10%) Government Share from Pilotage Services	
Administrative Order No. 06-2009 .....	184
Regulations on Compulsory Tug Assistance at the Baseport of Dumaguete and at Other Government Ports Within the Jurisdiction of PMO Dumaguete	
<b>PORT CHARGES</b>	
Memorandum Circular No. 03-2009 .....	187
Amending Article 3, Section B, Item 3.2.3 of PPA Memorandum Circular (MC) No. 03-95 Re: Collection of Applicable Port Charges on Foreign Vessels with Special Permit to Ply Domestic Routes	
BoardCom Resolution No. 2009-1168 .....	189
Memorandum Circular No. 08-2009 .....	191
Unilateral Application of the BIMP-EAGA Uniform Port Tariff for Philippines and Brunei Darussalam	
Memorandum Circular No. 10-2009 .....	192
Adjustment of Conversion Rate Used in the Computation of Vessel Charges on Foreign Containerized Cargoes at MICT and South Harbor	
Memorandum Order No. 47-2009 .....	193
Re-imposition of Reduced Export Wharfage Fees for Foreign Containerized Cargoes	
BoardCom Resolution No. 2009-1202 .....	195
<b>PORT OPERATIONS</b>	
Memorandum Circular No. 07-2009 .....	196
Port Access to COCPEIA Consultants	
Memorandum Circular No. 11-2009 .....	197
Guidelines for Foreign Vessels Intending to Lay-up in the Different PPA Administered Ports	
BoardCom Resolution No. 2009-1169 .....	201
Memorandum Circular No. 19-2009 .....	202
Implementation of PPA Quality Management System (QMS) on Vessel Entrance and Clearance	

---

Special Order No. 128-2009 .....	203
Transfer of Jurisdiction Over PMO-Dapitan from PDO-Northern Mindanao to PDO-Southern Mindanao	
Special Order No. 310-2009 .....	204
Transfer of Jurisdiction of Government and Private Ports in the Zamboanga del Norte from PMO-Ozamiz to PMO-Dapitan	
<b>PORT SAFETY AND SECURITY</b>	
Unnumbered Memorandum Dated January 26,2009 .....	205
Guidelines on Movement of Vessels During Heavy Weather	
PCG Memorandum Circular No. 01-09 .....	206
Guidelines on Movement of Vessels During Heavy Weather	
Memorandum Order No. 13-2009 .....	213
Supplementary Guidelines on Waste Management and Other Environment-Friendly Practices in PPA	
Executive Order No. 774 .....	218
Reorganizing the Presidential Task Force on Climate Change	
Operations Memorandum Circular No. 02-2009 .....	223
Policies and Guidelines Governing Health Measures for Arriving/Departing Passengers and Crew From/To International Travels Due to Influenza A (H1N1) Outbreak	
BOQ Memorandum Circular No. 2-S2009 .....	225
Policies and Guidelines Governing Health Measures for Arriving/ Departing Passengers and Crew From/To International Travels Due to Swine Influenza Outbreak	
Operations Memorandum Circular No. 03-2009 .....	228
Guidelines on Direct Berthing Privileges (Controlled Free Pratique) of Vessels as Preventive Measure Against Influenza A (H1N1)	
Operations Memorandum Circular No. 02-2009 .....	230
Policies and Guidelines Governing Health Measures for Arriving/ Departing Passengers and Crew From/To International Travels Due to Influenza A (H1N1) Outbreak	
BOQ Memorandum Circular No. 2 S2009 .....	232
Policies and Guidelines Governing Health Measures for Arriving/ Departing Passengers and Crew From/To International Travels Due to Swine Influenza Outbreak	
Administrative Order No. 04-2009.....	235
Revised General Pass Control System and Access Regulations	

---

Memorandum Circular No. 12-2009 .....	243
Health Measures to Mitigate the Spread of Influenza A (H1N1) in the Port	
Operations Memorandum Circular No. 08-2009 .....	245
Amendment to the Guidelines on Resumption of Direct Berthing Privileges (Controlled Free Pratique)	
BOQ Unnumbered Memorandum Dated 26 August 2009 .....	246
Amendment to Memorandum on the Resumption of Direct Berthing (Controlled Free Pratique) for Ocean-Going Merchant Vessel Dated 25 June 2009	
Operations Memorandum Circular No. 06-2009 .....	247
Guidelines on the Resumption of Direct Berthing Privileges (Controlled Free Pratique)	
BOQ Unnumbered Memorandum Dated 25 June 2009 .....	248
Resumption of Direct Berthing (Controlled Free Pratique) for Ocean-Going Merchant Vessel	
 <b>PRIVATE PORT OPERATIONS</b>	
Administrative Order No. 02-2009 .....	249
Private Port Fees and Other Related Charges	
BoardCom Resolution No. 2009-1165 .....	252
Operations Memorandum Circular No. 07-2009 .....	254
Clarifications Re: Implementation of Prescribed Fees Under PPA Administrative Order No. 02-2009	
 <b>PROCUREMENT</b>	
Memorandum Circular No. 17-2009 .....	255
Amendment to the Cost of Bidding Documents	
 <b>REAL ESTATE MANAGEMENT</b>	
Memorandum Order No. 03-2009 .....	256
Compromise Rental Rates on Lands at Manila North Harbor	
Memorandum Order No. 20-2009 .....	263
Amendment to PPA Memorandum Order No. 03-2009 Entitled "Compromise Rental Rates on Lands at Manila North Harbor"	
Memorandum Order No. 29-2009 .....	265
Preferential Rental Rate of P35.55/sq. m./mo. for Slip 0 Areas, PMO North Harbor	
Board Resolution No. 2158 .....	266
Administrative Order No. 07-2009 .....	267
Real Estate Management Fees	

---

BoardCom Resolution No. 2009-1206 .....	269
Board Resolution No. 2197 .....	270
Memorandum Order No. 68-2009 .....	271
Guidelines on the Revised Rental Rates on Lands at the Manila South Harbor Expanded Port Zone	
BoardCom Resolution No. 2009-1213 .....	277
Board Resolution No. 2202 .....	279
Memorandum Order No. 69-2009 .....	280
Revised Guidelines on the Compromise Rental Rates on Lands at Manila North Harbor	
BoardCom Resolution No. 2005-986 .....	287
Board Resolution No. 2045 .....	288
BoardCom Resolution No. 2008-1144 .....	289
BoardCom Resolution No. 2008-1151 .....	290
Board Resolution No. 2204 .....	292
<b>REVENUE COLLECTION</b>	
Memorandum Order No. 43-2009 .....	293
Compromise Payment Scheme for Dormant Accounts	
BoardCom Resolution No. 2009-1186 .....	295
Board Resolution No. 2188 .....	297
<b>TAXATION</b>	
Administrative Order No. 05-2009 .....	298
Clarificatory Guidelines on Value-Added Tax (VAT)	
<b>VESSEL OPERATIONS</b>	
Administrative Order No. 01-2009 .....	304
Authorizing PPA to Designate and Administer Lay-up Areas for Foreign Vessels in PPA Ports	
Operations Memorandum Circular No. 06-2009 .....	305
Guidelines on Resumption of Direct Berthing Privileges (Controlled Free Pratique)	

---

BOQ Memorandum Dated 25 June 2009 .....	306
Resumption of Direct Berthing (Controlled Free Pratique) for Ocean-Going Merchant Vessel	
Memorandum Circular No. 20-2009 .....	308
Clarification on the Conduct of Berthing Meeting	
 <b>OTHER ISSUANCES</b>	
Unnumbered Memorandum Dated 17 March 2009 .....	309
Dissemination of IMO FAL. 3/Circ. 194 Entitled "Principles Relating to Administrative Procedures for Disembarking Persons Rescued at Sea"	
DFA Letter Dated 20 February 2009 .....	309
IMO FAL. 3/Circ. 194 .....	310
Memorandum Circular No. 04-2009 .....	311
20% Discounts for Senior Citizens and Students on Passenger Terminal Fees in All PPA Ports	
Unnumbered Memorandum Dated April 14, 2009 .....	312
Guidelines on the Receipting of the 20% Discount Granted to Senior Citizens and Students	
Memorandum Circular No. 14-2009 .....	314
Guidelines to Implement COA Circular 2009-002 Re: Reinstating Selective Pre-Audit on Government Transactions	
COA Circular No. 2009-002 .....	321
Reinstating Selective Pre-Audit on Government Transactions	
<b>QUICK REFERENCE INDEX</b> .....	335

# **THE PHILIPPINE PORTS AUTHORITY**

The Philippine Ports Authority was created under Presidential Decree No. 505, which was subsequently amended by PD No. 857 in December 1975.

The latter decree, which is referred to as the revised charter of the Philippine Ports Authority, broadened the scope and functions of the PPA to facilitate the implementation of an integrated program for the planning, development, financing, operation and maintenance of ports or port districts for the entire country.

In 1978, the PPA charter was further amended by Executive Order No. 513, granting the PPA police authority, creating the National Ports Advisory Council to strengthen cooperation between the government and the private sector, and empowering the PPA to exact reasonable administrative fines for specific violations of its rules and regulations.

Subsequently, Executive Order No. 159 was issued in 1987 to give the PPA financial autonomy and the responsibility for undertaking all construction projects under its port system.

Various functions such as port administration and project execution previously handled, respectively, by the Bureau of Customs and the Department of Public Works and Highways, were transferred to the PPA.

## ***Objectives***

1. Coordinate, streamline, improve and optimize the planning, development, financing, construction, maintenance, and operation of ports, port facilities, port physical plants, and all equipment used in connection with the operation of a port;
2. Ensure the smooth flow of waterborne commerce passing through the country's ports, whether public or private, in the conduct of international and domestic trade;
3. Promote regional development through dispersal of industries and commercial activities throughout the different regions;
4. Foster inter-island seaborne commerce and foreign trade;
5. Redirect and reorganize port administration beyond its specific and traditional functions of harbor development and cargo handling operations to the broader function of total port district development including encouraging the full and efficient utilization of the port's hinterland and tributary areas;
6. Ensure that all income and revenues accruing out of dues, rates and charges for the use of facilities and services provided by the Authority are properly collected and accounted for by the Authority, that all such income and revenues will be adequate to defray the cost of providing the facilities and services (inclusive of operating and maintenance cost, administration and overhead) of the port districts, and to ensure that a reasonable return on the assets employed shall be realized.

## ***Functions***

1. Formulate and implement a comprehensive and practicable port development plan for the State in coordination with the National Economic and Development Authority;
2. Supervise, control, regulate, construct, maintain, operate and provide necessary port facilities and services;
3. Prescribe rules and regulations, procedures and guidelines for the operation of ports;
4. License, control, regulate, supervise any construction or structure within the port district;

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5. Provide services, on its own or by contract, within the port district and approaches thereof, including but not limited to berthing, slipping, or docking of any vessel; loading or discharging of vessels; sorting, weighing, measuring, warehousing, or otherwise handling of goods;
  6. Control and administer any foreshore rights or leases which may be vested in the Authority from time to time;
  7. Coordinate with the Bureau of Lands or any other government agency or corporation in the development of any foreshore areas;
  8. Control, regulate and supervise pilotage and the conduct of pilots in any port district;
  9. Provide and assist in training programs for its staff and the staff of port users and operators;
  10. Perform or provide other services necessary to carry out its objectives, including the adoption of necessary measures to remedy congestion in any government port.

### ***Management and Organization***

At the policy formulation level, the Philippine Ports Authority is governed by a nine-man Board of Directors. It is chaired by the Secretary of the Department of Transportation and Communications, with the General Manager of the Philippine Ports Authority as Vice-Chairman.

Its members are the Director-General of the National Economic and Development Authority, the Secretaries of the Department of Public Works and Highways, Finance, Trade and Industry, Environment and Natural Resources, the Administrator of the Maritime Industry Authority, and a representative from the private sector.

Policies approved by the Board are implemented by the General Manager as Chief Executive Officer. Helping him are his three Assistant General Managers: Finance and Administration, Operations, and Engineering Services.

Central Office departments supervised by the Assistant General Managers deliver support services to the field or line units.

Frontline services are delivered by five Port District Offices which are semi-autonomous regional offices responsible for the activities of the various Port Management Offices under their jurisdiction.

Port Management Offices serve as base ports for the supervision of public and private ports within their area of operation.

### ***Mandate***

By virtue of its charter, the PPA is mandated to implement the State policy of an integrated program for the planning, development, financing, operation and maintenance of ports or port districts for the entire country.

### ***Vision***

By 2010, PPA shall have met the international standards in port facilities and services in at least (10) ports in support of national development.



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### ***Mission Statement***

“We commit to provide reliable and responsive services in our ports, sustain development of our port communities and the environment, and be a model corporate agency of the government.”

### ***Priority Objectives***

1. To complete the modernization of at least (10) ports by 2010.
2. To improve the delivery of port services.
3. To reduce the client’s cost of transacting business in the ports.
4. To integrate port community development and environmental protection measures in the development and operation of the ports.
5. To provide a viable working environment conducive to improving employee productivity and satisfaction.

### ***Role of Philippine Ports in Economic Development***

An archipelago consisting of 7,107 islands and islets, the Philippines is greatly dependent on water transport for trade and commerce between and among its main islands. It has a long coastline facing the Pacific Ocean to the east and the South China Sea to the west.

The country lies at the heart of Southeast Asia with China to the North, the Indonesian archipelago to the south, the counties of Laos, Vietnam, Cambodia and Thailand to the west and Malaysia to the southwest.

Against this backdrop the Philippines enviably occupies a highly strategic point and natural hub of economic activity in the region.

Because of the Philippines’ geographic configuration, there is heavy reliance on ports to carry on maritime trade.

As vital nodes of the transport chain providing the major interface between land and water transportation, ports bridge production and consumption centers.

Demand for water transport is heavy because it is the cheapest means of moving goods from island to island and from the Philippines to the international markets.

To answer this demand, the government developed the Strong Republic Nautical Highway (SRNH) where ports were streamlined and maintained to cater to the roll-on/roll-off (RORO) system of moving goods and people and thus encourage and enhance inter-island trade and commerce and domestic tourism.

# **CARGO HANDLING CHARGES**

January 12, 2009

**PPA MEMORANDUM CIRCULAR**

**NO. 01 - 2009**

**TO :** The Port District Managers  
The Port Managers  
All Cargo Handling Operators  
All Ship Owners  
All Port Users  
Others Concerned

**FROM :** The General Manager

**SUBJECT :** 50% - 50% Sharing Scheme on the Arrastre Fees in Instances Where the Cargo Handling Operators (CHO) Utilizes Equipment of the Shipping Lines in Rendering Service to Vessels and Cargo Owners

Pursuant to the agreement among the Association of North Harbor Cargo Handling Operators (ANCHOR) and Philippine Ports Authority (PPA) with the Philippine Chamber of Arrastre and Stevedoring Operators (PCASO) and as concurred to by the Philippine Liner Association (PLSA), the following guidelines are hereby prescribed:

1. As an amended rule, the sharing on arrastre fees for container handling where the CHO utilizes equipment of the shipping lines in rendering services to vessels and cargo owners shall be 50% - 50%.
2. In such situation, the amount that goes to shipping as a reduction and to the Contractor as its income from cargo handling services rendered shall be based on the prescribed rates, net of the 10% government share, or based on the 90% of the applicable rates.
3. Henceforth, the allowed reduction in arrastre rates to shipping shall be 50% of the 90% rates, or 45%. Consequently, 50% of the 90% rates, or 45% shall go to the Contractor.
4. Where the contractor collects directly the 100% container arrastre rates from shippers/consignees, it shall remit to shipping lines 45% as rebate.
5. In cases where shipping company collects the 100% from shippers/consignees, the Contractor shall bill the shipping company 45% of the former's share plus the 10% for PPA's share, or a total of 55%.
6. In both instances, therefore, the Contractor shall remit to PPA its 10% government share based on 100% container arrastre rates.

All PPA orders, memoranda or circulars inconsistent herewith are hereby repealed or amended accordingly.

The Circular shall take effect February 1, 2009.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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February 20, 2009

**MEMORANDUM**

**FOR** : **All Port District Managers  
All Port Managers**

**FROM** : **The Assistant General Manager  
Finance and Administration**

**SUBJECT** : **15% Cost-Recovery Adjustments in RO-RO Terminal Fee (RRTF)**

This is in connection with the 15% cost-recovery adjustments in Ro-Ro Terminal Fee (RRTF) which was approved and to be implemented effective December 27, 2008 pursuant to PPA Memorandum Circular No. 10-2008 (See Port Rules and Regulations 2008 page 38) dated November 26, 2008.

Due to the said adjustment in rates, and pending delivery of the new stocks of RRTF tickets, please be advised that the Bureau of Internal Revenue has given clearance for us to continue using the existing RRTF tickets with the new rates stamped therein until our present inventory has been used up.

Hereunder are the adjustments in RRTF:

<u>Vehicle Type</u>	<u>Description</u>	<u>Old Rate</u>	<u>New Rate</u>
1	Motorcycle, Tricycle	56.00	65.00
2	Car, Minivan, SUV, AUV, Owner, Jeep, PUJ, not more than 16 pax	112.00	129.00
3	Light Delivery Truck, Van, Pickup Truck, PUJ more than 16 pax	224.00	258.00
4	Stake Truck, heavy delivery truck, passenger/tourist bus, prime mover tractor head with or without trailer/ chassis, 10 wheeler	448.00	516.00

For compliance.

(Sgd) **ATTY. GLORIA J. VICTORIA-BAÑAS**

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March 30, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 05 - 2009**

**TO :** The Concurrent Port District Manager, PDO Manila/NLuzon  
The Port Manager, PMO South Harbor  
The Officer-In-Charge, MICT  
Asian Terminals, Inc. (ATI)  
International Container Terminal Services, Inc. (ICTSI)  
Cargo Owners/Brokers/Shipping Lines  
And Other Port Users Concerned

**SUBJECT :** **Tariff Adjustment on Cargo-Related Charges for Foreign Containerized and Non-Containerized Cargoes at SH and MICT**

Pursuant to PPA BoardCom Resolution No. 2009-1176 and confirmed by Board Resolution No. 2184, both adopted on 27 March 2009, the cargo-related (arrastre) handling tariff on foreign containerized and non-containerized cargoes at South Harbor (SH) and Manila International Container Terminal (MICT) are hereby adjusted as follows:

- 1<sup>st</sup> Tranche - 8% increase effective 30 days after publication of this Memorandum Circular
- 2<sup>nd</sup> Tranche - 7% increase effective 01 January 2010 (equivalent to a 15% total increase over the previous cargo handling tariff and the 2<sup>nd</sup> tranche shall not be compounded)

This Memorandum Circular shall take effect thirty (30) days after publication in a newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - April 8, 2009*

**Effectivity Date : May 8, 2009**

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## SECRETARY'S CERTIFICATE

I, **David R. Simon**, duly designated Secretary of the Board Committee, as created by the Board of Directors of the Philippine Ports Authority (PPA), and having custody of the Board records of the said committee, do hereby certify:

That during the 218th Meeting of the Board Committee held on 27 March 2009 at the Board Room, 6th Floor, PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

### ***BoardCom Resolution No. 2009-1176***

*“RESOLVED, That on motion duly made and seconded, and considering the favorable recommendation of the Hearing Panel created under PPA Special Order No. 27-2009 composed of the Technical Assistants of the Members of the PPA Board of Directors from NEDA, DTI, DOF, DPWH, DENR and the Private Sector Representative as well as from the Office of the Government Corporate Counsel, the request of ATI and ICTSI for cost-recovery rate adjustment on cargo-related charges for foreign containerized and non-containerized cargoes at South Harbor and MICT, due to the impact of the increases in labor costs as well as other economic factors such as fuel, power, repairs and maintenance and foreign exchange rate fluctuations, be, as it is hereby approved, subject to the following conditions:*

- 1. Cost-recovery rate adjustment equivalent to fifteen (15%) percent for cargo-related charges on foreign containerized and non-containerized cargoes at South Harbor and MICT;*
- 2. The above adjustments shall be given in two tranches, breakdown as follows*  
*1st Tranche - Eight (8%) percent effective 30 days after publication*  
*2nd Tranche - Seven (7%) percent effective 1 January 2010 (not compounded)*
- 3. ATI and ICTSI shall not lay-off their portworkers due to decline of cargo traffic or effect of the global economic conditions.*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 27th day of March 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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**SECRETARY'S CERTIFICATE**

I, **DAVID R. SIMON**, duly designated Corporate Board Secretary of the Philippine Ports Authority (PPA), a government instrumentality attached to the Department of Transportation and Communications, created by virtue of Presidential Decree No. 857, as amended, with principal office at PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, and having custody of the Board records of the PPA, do hereby certify:

That, during the 353rd Regular Meeting of the Board of Directors of the Philippine Ports Authority held on 27 March 2009 at the Board Room, 6th Floor PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

***RESOLUTION NO. 2184***

*“Resolved, That on motion duly made and seconded, BoardCom Resolution Nos. 2009-1174 to 2009-1179, as adopted during the 218th Meeting of the Board Committee, held on 27 March 2009, hereto attached and incorporated by reference, be, as they are hereby confirmed.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 27th day of March 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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April 21, 2009

**PPA OPERATIONS MEMORANDUM  
CIRCULAR NO. 01 - 2009**

**TO :** The Concurrent Port District Manager, PDO-Manila/NoLuz  
The Port Manager, PMO-South Harbor  
The Officer-In-Charge, MICT  
Asian Terminals, Inc. (ATI)  
International Container Terminal Services, Inc. (ICTSI)  
Cargo Owners/Brokers/Shipping Lines  
And Other Port Users Concerned

**SUBJECT :** Upward Adjustment on Cargo-Related Charges for Foreign Containerized  
and Non-Containerized Cargoes at South Harbor and MICT

Pursuant to PPA Memorandum Circular (MC) No. 05-2009\* dated March 30, 2009, the cargo-related (arrastre) handling tariff for foreign containerized and non-containerized cargoes at South Harbor and MICT were approved to be increased in two (2) tranches, the first tranche (8%) to be effective 30 days after publication of the MC and the second tranche ((7%) equivalent to a 15% total increase over the previous cargo handling tariff) on January 1, 2010.

In connection with the said MC, attached is the revised schedule of cargo handling tariff at South Harbor and MICT for reference and guidance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
AGM for Operations

*\*PPA MC No. 05-2009 was published in  
the Manila Standard on April 8, 2009.*

**Effectivity Date : May 8, 2009**

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

**I. CONTAINERIZED CARGO**

<b>Per PPA MC No. 11-2008 Effective January 01, 2009</b>
--

**A. Vessel Charges (Stevedoring)**

**Basis**

**In U.S. Dollar (\$1:P43.00)**

**Non-Self Sustaining Vessel**

1. CY/FCL

Loaded

20 footer	/ box	US\$	80.718
40 footer	/ box		112.912

Empty

20 footer	/ box	US\$	67.851
40 footer	/ box		87.413

2. CFS/LCL - Inbound/Outbound

20 footer	/ box	US\$	199.959
40 footer	/ box		291.408

3. Shifting on Board

/ box	US\$	61.158
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4. Shifting via dock/barge/vice versa

SVD Loaded

1-4 TEU/bay (or equivalent units)	/ box	US\$	137.630
Above 4 TEU/bay (or equivalent units) but no more than 15 units/bay	/ box	US\$	178.913
Above 15 units/bay	/ box		232.569

SVD Empty

1-4 TEU/bay (or equivalent units)	/ box	US\$	137.630
Above 4 units/bay (or equivalent units)	/ box		178.913

5. Foreign Transhipment (without rework)

20 footer	/ box	US\$	117.417
40 footer	/ box		146.824



**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

<i>Per PPA MC No. 11-2008 Effective January 01, 2009</i>
--

<u>Self Sustaining Vessel</u>	<u>Basis</u>	<u>In U.S. Dollar (\$1:P43.00)</u>	
1. CY/FCL			
<u>Loaded</u>			
20 footer	/ box	US\$	44.539
40 footer	/ box		76.629
<u>Empty</u>			
20 footer	/ box	US\$	31.855
40 footer	/ box		51.259
2. CFS/LCL - Inbound/Outbound			
20 footer	/ box	US\$	162.869
40 footer	/ box		253.667
3. Shifting on Board			
	/ box	US\$	25.187
4. Shifting via dock/barge/vice versa			
	/ box	US\$	65.559
5. Foreign Transhipment (without rework)			
20 footer	/ box	US\$	52.302
40 footer	/ box		81.786

**B. Cargo Charges (Arrastre)**

Per PPA MC No. 05-2009	
1st Tranche	2nd Tranche
Eff. May 8, 2009	Eff. Jan. 1, 2010

1. FCL - Import				
20 footer	/ box	Php	3,043.00	3,241.00
40 footer	/ box		6,983.00	7,436.00
2. FCL - Export				
20 footer	/ box	Php	2,485.00	2,646.00
40 footer	/ box		5,707.00	6,077.00

2.1 SHUT-OUT Export - an added charge on top of the arrastre (export) charge of:

Full/Loaded	/ box	Php	2,482.00	2,643.00
Empty	/ box		1,241.00	1,321.00

3. CFS/LCL - Import and Export shall be charged based on actual weight or measurement of LCL cargoes applying the present general cargo rate.

**C. Dangerous Cargo** To be charged in accordance with PPA AO No. 02-89 dtd. 8/14/89 and PPA AO No. 01-90 dtd. 03/01/90.

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

<i>Per PPA MC No. 03-2005 Effective 3/19/2006</i>
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**II. NON-CONTAINERIZED CARGO**

<b>A. Vessel Charges (Stevedoring)</b>	<b><u>Basis</u></b>		<b><u>Non-Palletized</u></b>	<b><u>Palletized</u></b>
1. General Cargo				
a) Bagged Cargoes (Cargoes in bags, sacks)	/RT	Php	179.00	70.00
b) Frozen Cargoes				
b.1 Unpacked Fish	/RT	Php	556.00	—
b.2 Fish in Cartons	/RT		371.00	—
c) Others (Cargoes in crates, boxes, cases, drums, etc.)	/RT	Php	77.00	53.00
2. Heavy Lift				
a) 5 - 20 tons	/MT	Php	378.00	—
b) Over 20 tons	/MT		461.00	—
3. Steel Products	/MT	Php	61.00	43.00
4. Logs	/1000 Bd. Ft.	Php	162.00	—
5. Lumber	/1000 Bd. Ft.	Php	—	120.00
6. Bulk				
a) Free Flowing	/MT	Php	77.00	—
b) Non-Free Flowing	/MT		84.00	—
7. Shifting within hatch			150% of applicable rates	
8. Shifting from hatch to another or from one hold to dock/pier or barge or vice versa			200% of applicable rates	
NB	The above charges shall be exclusive of equipment except for item 6 i.e. Bulk cargoes where clamshell shall be provided.			

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

**B. Cargo Charges (Arrastre)**

**Import**

**Basis**

<i>Per PPA MC No. 05-2009</i>			
<i>1st Tranche</i>		<i>2nd Tranche</i>	
<i>Eff. May 8, 2009</i>		<i>Eff. Jan. 1, 2010</i>	
<i>Non-Palletized</i>	<i>Palletized</i>	<i>Non-Palletized</i>	<i>Palletized</i>

1. General Cargo

a. Bagged Cargoes (cargoes in bags, sacks) /RT Php 216.00 96.00 230.00 102.00

b. Frozen Cargoes

b.1 Unpacked Fish /RT Php 811.00 864.00 -

b.2 Fish in Cartons /RT 542.00 577.00 -

c. Others (cargoes in crates, boxes, cases, drums, etc.) /RT Php 122.00 96.00 130.00 102.00

2. Steel Products /RT Php 143.00 114.00 152.00 122.00

3. Logs /1000/Bd. Ft. Php 186.00 - 198.00 -

4. Lumber /1000/Bd. Ft. Php - 186.00 - 198.00

5. Heavy Lift

5 - 15 tons /MT Php 293.00 - 312.00 -

Over 15 to 20 tons /MT 485.00 - 516.00 -

Over 20 tons /MT 681.00 - 726.00 -

6. Bulk Cargo /MT Php 122.00 - 130.00 -

7. Checking Charge (Shipside Delivery) /RT Php 14.00 - 15.00 -

**C. Roll-on-Roll-off Charges**

1. Vessel Charges (Stevedoring) /RT Php 65.00 (Per PPA MC No. 03-2005)

2. Cargo Charges (Arrastre) /RT 122.00 - 130.00 -

**D. Dangerous Cargo**

To be charged in accordance with PPAO No. 02-89 dtd. 8/14/89 and PPAO No. 01-90 dtd. 03/01/90.

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

**III. MISCELLANEOUS CHARGES** (payable by whoever requested for services)

<b>Per PPA MC No. 11-2008 Effective March 19, 2006</b>
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**A. CONTAINERIZED** **Basis** **In U.S. Dollar (\$1:P43.00)**

1. Lifting and closing of hatch covers, lids and supporting beams (non-self sustaining vessels only)	/hatch	US\$	85.823
2. Making fast and letting go lines			
Size of Vessel:			
Less than 10,000 GRT	/vessel	US\$	14.039
10,000 - 20,000 GRT	/vessel		16.045
20,000 - 30,000 GRT	/vessel		20.030
above 30,000 GRT	/vessel		24.041
3. Pier Lighting (night operations 1800H to 0600H)			
	/hour	US\$	1.719
4. Reefer Charges (Plug in/out)			
20 footer	/box/hour or fraction	US\$	1.407
40 footer			3.282

- Reefer vans for export shall be subject to one (1) hour minimum

- A minimum of six (6) hours shall be imposed on import reefer vans

20 footer  
40 footer

/box  
/box

Php

<b>Per PPA MC No. 05-2009</b>	
1st Tranche	2nd Tranche
Eff. May 8, 2009	Eff Jan. 1 2010

350.00	373.00
816.00	869.00

<b>Per PPA MC No. 11-2008 Effective January 01, 2009 In U.S. Dollar (\$1:P43.00)</b>	
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5. a. B.O Turnover Survey	gang/hour	US\$	22.270
b. Shoring/ Recouping (Labor Cost Only)			
Materials, subject to the determination of both parties based on actual usage.			

**Basis**

<b>Per PPA MC No. 05-2009</b>	
1st Tranche	2nd Tranche
Eff. May 8, 2009	Eff Jan. 1, 2010

c. Stripping -FCL	/box	Php	6,450.00	6,868.00
- 100% examination	/box		6,450.00	6,868.00
- Over 10% but below 100% exam	/box		3,227.00	3,436.00
- BOC Spot Checking Exam	/box		986.00	1,050.00

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

**Per PPA MC No. 11-2008  
Effective January 01, 2009**

	<u><b>Basis</b></u>		<u><b>In U.S. Dollar (\$1:P43.00)</b></u>	
6. Equipment Rental (includes operator)				
a. Shore Crane	/hour or fraction thereof	US\$	115.777	
b. Crane - 100 ton mobile crane minimum of twelve (12) container moves	/minimum	US\$	437.816	
EQUIPMENT HIRE:				
Crane (Mobile) 100 Tons Capacity	/hour	US\$	256.402	
Crane 50 Tons Capacity	/hour		104.811	
Crane 25 Tons Capacity	/hour		59.855	
Crane Container Barge Tango	/hour		36.777	
Forklift 20 Tons Capacity	/hour		29.928	
Forklift 10 Tons Capacity	/hour		16.513	
Forklift 3 Tons Capacity	/hour		11.408	
Toploader 25 Tons Capacity	/hour		44.878	
Toploader 35 Tons Capacity	/hour		59.855	
Shifter/Straddle				
Carrier 25 Ton Capacity	/hour		60.089	
Tractor Head	/hour		16.462	
Truck, Stake	/hour		11.408	
Chassis with Truck/Tractor				
20 footer	/hour	US\$	7.241	
40 footer	/hour		14.430	

<b>Per PPA MC No. 05-2009</b>	
<b>1st Tranche</b>	<b>2nd Tranche</b>
<b>Eff. May 8, 2009</b>	<b>Eff. Jan. 1, 2010</b>

C. Pallets (outside rental)	/box	Php	58.00	62.00
7. Transferring/storing of dangerous cargoes at the Dangerous Cargo Area (DCA) - (Per PPA MC 12 - 2004 for MICT and PPA MC 02-2005 for South Harbor)				
Containerized Dangerous Cargo	/TEU	Php	3,545.00	3,774.00
LCL (non-palletized)	/RT		242.00	258.00
LCL (palletized)	/RT		186.00	198.00

The charges shall be distinct and in addition to the "premium charges" prescribed under PPA Admin. Order No. 02-89 (Cargo Handling Rate for Dangerous/Obnoxious Cargoes).

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

*Per PPA MC No. 11-2008  
Effective January 01, 2009*

<u>Penalty Charges</u>	<u>Basis</u>		<u>In U.S. Dollar (\$1:P43.00)</u>	
Stand-by Charges	gang/hour	US\$	28.755	
a. Manpower				
Applies to vessel operation when labor is engaged to work but cannot work, when causes are attributable to vessel's fault, under the ff. conditions:				
a. waiting for vessel to dock; b. breakdown of vessel's gear; c. waiting for cargo/truck; d. men engaged but not put to work				
Standby time charges due to inclement weather shall not apply except when the cargo owner/consignee insists on the deployment of a gang or objects to the knocking off of the gang during or impending inclement weather.				
b. Shore Crane	/minute	US\$	6.251	
Equivalent to four (4) Container Lifts per hour or fraction thereof	/hour	US\$	125.102	

**B. NON-CONTAINERIZED**

<i>Per PPA MC No. 05-2009</i>	
<i>1st Tranche</i>	<i>2nd Tranche</i>
<i>Eff. May 8, 2009</i>	<i>Eff. Jan. 1, 2010</i>

1. Making fast and letting go lines				
Size of Vessel :				
Less than 10,000 GRT	/vessel	Php	623.00	664.00
10,000 - 20,000 GRT	/vessel		713.00	759.00
20,000 - 30,000 GRT	/vessel		892.00	950.00
above 30,000 GRT	/vessel		1,069.00	1,138.00
2. Pier Lighting (night operations - 1800H to 0600H)				
	/hour	Php	71.00	76.00

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

		<b>Per PPA MC No. 05-2009</b>			
		<b>1st Tranche</b>	<b>2nd Tranche</b>		
		<b>Eff. May 8, 2009</b>	<b>Eff. Jan. 1, 2010</b>		
		<b>Basis</b>			
3. a. B.O. Turnover Survey	gang/hour	Php	866.00	922.00	
b. Shoring/Recouping (Labor Cost Only) Materials, subject to the determination of both parties based on actual usage.	gang/hour	Php	372.00	396.00	
4. Equipment Rental (includes operator)					
a. On-Dock					
Crane (Mobile) 100 Tons Capacity	/hour	Php	10,531.00	11,214.00	
Crane 50 Tons Capacity	/hour		4,305.00	4,584.00	
Crane 25 Tons Capacity	/hour		2,458.00	2,617.00	
Forklift 20 Tons Capacity	/hour		1,229.00	1,309.00	
Forklift 10 Tons Capacity	/hour		675.00	719.00	
Forklift 3 Tons Capacity	/hour		468.00	498.00	
Toploader 25 Tons Capacity	/hour		1,845.00	1,964.00	
Toploader 35 Tons Capacity	/hour		2,458.00	2,617.00	
Shifter/Straddle Carrier 35 Tons Capacity	/hour	Php	2,458.00	2,617.00	
Tractor Head	/hour		675.00	719.00	
Truck, Stake	/hour		468.00	498.00	
<b>Per PPA MC No. 03-2005</b>					
b. On-Board Forklift 3 Tons Capacity	/hour	Php	763.00		
<b>Per PPA MC No. 05-2009</b>					
<b>1st Tranche</b>					
<b>2nd Tranche</b>					
<b>Eff. May 8, 2009</b>					
<b>Eff. Jan. 1, 2010</b>					
c. Outside rental of pallets	/hour	Php	70.00	75.00	

**Penalty Charges**

Standby time charges shall be applied on delays beyond the control of the cargo handling operator, only under the following circumstances:

- a. waiting for vessel to dock;
- b. breakdown of vessel's gear;
- c. waiting for cargo/truck/barges;
- d. non-readiness of the vessel;
- e. gang cancelled by client due to instances other than the above

		<b>Per PPA MC No. 03-2005</b>		
a) On-Board	gang/hour	Php	2,764.00	
<b>Per PPA MC No. 05-2009</b>				
<b>1st Tranche</b>				
<b>2nd Tranche</b>				
<b>Eff. May 8, 2009</b>				
<b>Eff. Jan. 1, 2010</b>				
b) On-Dock	gang/hour		2,156.00	2,295.00

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

Standby time charges due to inclement weather shall not apply except when the cargo owner/consignee insists on the deployment of a gang or objects to the knocking off of a gang during or impending inclement weather.

<b>Per PPA MC No. 05-2009</b>	
<b>1st Tranche</b>	<b>2nd Tranche</b>
<b>Eff. May 8, 2009</b>	<b>Eff. Jan. 1, 2010</b>

**Extra Labor Services**

**Basis**

1. Gang Services

a) On-Dock

General Cargo Delivery Gang	gang/hour	Php	718.00	765.00
B.O. Turn-over Gang	gang/hour		913.00	972.00
Utility	gang/hour		942.00	1,003.00
Barge Delivery Operation	gang/hour		1,263.00	1,344.00
Lashing/Unlashing (RO-RO)	gang/hour		639.00	681.00
Lashing/Unlashing Gang	gang/hour		1,158.00	1,233.00
Self-Sustained Vessel (Loading/Unloading)	gang/hour		2,115.00	2,252.00
Integrated General Cargoes and Units	gang/hour		2,565.00	2,731.00

<b>Per PPA MC No. 11-2008</b>	
<b>Effective January 01, 2009</b>	
<b>In U.S. Dollar (\$1:P43.00)</b>	

b) On-Board

Regular Gang	gang/hour	US\$	18.623	
Big Gang	gang/hour		21.905	
Manlighter Gang	gang/hour		12.998	
Lashing/Unlashing/Shoring	gang/hour		21.592	
Discharging Vessel/Barge Operation/Stripping	gang/hour		40.685	

2. Personnel Services

Antigo	/hour	US\$	2.240	
Batteryman	/hour		2.318	
Cabo	/hour		2.318	
Cabo B.O.	/hour		2.318	
Carpenter	/hour		2.240	
Checker Posting B.O.	/hour		2.240	
Checker Delivery	/hour		2.397	
Checker Posting	/hour		2.397	
Checker Receiving	/hour		2.397	
Checker Transfer	/hour		2.397	
Clerk	/hour		2.240	
Cooperer B.O.	/hour		2.240	
Deliveryman	/hour		2.240	
Electrician	/hour		2.240	
Foreman Delivery	/hour		2.397	
Foreman Receiving	/hour		2.397	
Gatekeeper	/hour		2.501	
Gearlockerman	/hour		2.240	
Inspector B.O.	/hour		2.397	
Inspector Gate	/hour		2.501	



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**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**

<b>Per PPA MC No. 11-2008</b>
-------------------------------

<i>Effective January 01, 2009</i>
-----------------------------------

<b><i>In U.S. Dollar (\$1:P43.00)</i></b>
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	<u><b>Basis</b></u>	
Lineman	/hour	2.240
Locator	/hour	2.240
Locator Van	/hour	2.240
Mechanic	/hour	2.397
Mechanic Helper	/hour	2.318
Moderno	/hour	2.214
Operator Crane (2)	/hour	2.943
Operator Forklift	/hour	2.240
Operator Gantry Crane	/hour	2.214
Operator Mobile	/hour	2.397
Operator Tractor	/hour	2.501
Reefer Technician	/hour	2.448
Signalman	/hour	2.240
Special Cargoman	/hour	2.240
Supervisor	/hour	2.552
Supervisor B.O.	/hour	2.552
Superintendent	/hour	2.761
Truck Driver	/hour	2.240
Utilityman	/hour	2.240
Welder	/hour	2.240
Winchman	/hour	2.240
Baggage Master	/hour	2.318

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March 30, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 05 - 2009**

**TO :** The Concurrent Port District Manager, PDO Manila/NLuzon  
The Port Manager, PMO South Harbor  
The Officer-In-Charge, MICT  
Asian Terminals, Inc. (ATI)  
International Container Terminal Services, Inc. (ICTSI)  
Cargo Owners/Brokers/Shipping Lines  
And Other Port Users Concerned

**SUBJECT :** Tariff Adjustment on Cargo-Related Charges for Foreign Containerized  
and Non-Containerized Cargoes at SH and MICT

Pursuant to PPA BoardCom Resolution No. 2009-1176 and confirmed by Board Resolution No. 2184, both adopted on 27 March 2009, the cargo-related (arrastre) handling tariff on foreign containerized and non-containerized cargoes at South Harbor (SH) and Manila International Container Terminal (MICT) are hereby adjusted as follows:

- 1<sup>st</sup> Tranche** - 8% increase effective 30 days after publication of this Memorandum Circular
- 2<sup>nd</sup> Tranche** - 7% increase effective 01 January 2010 (equivalent to a 15% total increase over the previous cargo handling tariff and the 2<sup>nd</sup> tranche shall not be compounded)

This Memorandum Circular shall take effect thirty (30) days after publication in a newspaper of general circulation.

(Sgd) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - April 8, 2009*  
**Effectivity Date - May 8, 2009**

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June 16, 2009

**PPA OPERATIONS MEMORANDUM  
CIRCULAR NO. 04 - 2009**

**TO :** The Association of International Shipping Lines, Inc.  
International Container Terminal Services , Inc.  
Asian Terminals, Inc.  
The Port District Manager, PDO-Manila/Northern Luzon  
The Port Manager, PMO-South Harbor  
The Officer-In-Charge, MICT  
Others Concerned

**SUBJECT :** Adjustment of Conversion Rate Used in the Computation of Vessel Charges on Foreign Containerized Cargoes at MICT and South Harbor

Pursuant to PPA Memorandum Circular (MC) No. 10-2009 (See Page 192), the conversion rate used in the computation of the vessel tariff on foreign containerized cargoes at MICT and South Harbor was readjusted from Php 43.00 to Php 44.50 per U.S. Dollar.

Attached is a schedule of the revised cargo handling tariff at MICT and South Harbor incorporating therein the adjusted rates on vessel charges denominated in U.S. Dollar which shall be effective July 1, 2009.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
AGM for Operations

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR  
As of July 01, 2009**

**I. CONTAINERIZED CARGO**

**Basis**

**A. Vessel Charges (Stevedoring)\***

**Non-Self Sustaining Vessel**

1. CY/FCL

Loaded

20 footer	/box	US\$	77.997
40 footer	/box		109.106

Empty

20 footer	/box	US\$	65.564
40 footer	/box		84.466

2. CFS/LCL - Inbound/Outbound

20 footer	/box	US\$	193.219
40 footer	/box		281.585

3. Shifting on Board

/box	US\$	59.096
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4. Shifting via dock/barge/vice versa

SVD Loaded

1-4 TEU/bay (or equivalent units)	/box	US\$	132.991
Above 4 TEU/bay (or equivalent units) but no more than 15 units/bay	/box	US\$	172.882
Above 15 units/bay	/box		224.730

SVD Empty

1-4 TEU/bay (or equivalent units)	/box	US\$	132.991
Above 4 units/bay (or equivalent units)	/box		172.882

5. Foreign Transhipment (without rework)

20 footer	/box	US\$	113.459
40 footer	/box		141.875

\*PPA MC No. 10 - 2009 effective July 1, 2009

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR  
As of July 01, 2009**

<u><b>Self-Sustaining Vessel</b></u>	<u><b>Basis</b></u>		
1. CY/FCL			
<u>Loaded</u>			
20 footer	/ box	US\$	43.038
40 footer	/ box		74.046
<u>Empty</u>			
20 footer	/ box	US\$	30.781
40 footer	/ box		49.531
2. CFS/LCL - Inbound/Outbound			
20 footer	/ box	US\$	157.379
40 footer	/ box		245.116
3. Shifting on Board*	/ box	US\$	24.338
4. Shifting via dock/barge/vice versa*	/ box	US\$	63.349
5. Foreign Transhipment (without rework)*			
20 footer	/ box	US\$	50.539
40 footer	/ box		79.029

**B. Cargo Charges (Arrastre)**

1. FCL - Import			
20 footer	/ box	Php	3,043.00
40 footer	/ box		6,983.00
2. FCL - Export			
20 footer	/ box	Php	2,485.00
40 footer	/ box		5,707.00
2.1 SHUT-OUT Export - an added charge on top of the arrastre (export) charge of:			
Full/Loaded	/ box	Php	2,482.00
Empty	/ box		1,241.00

3. CFS/LCL - Import and Export shall be charged based on actual weight or measurement of LCL cargoes applying the present general cargo rate.

**C. Dangerous Cargo** To be charged in accordance with PPA AO No. 02-89 dtd. 8/14/89 and PPA AO No. 01-90 dtd. 03/01/90.

\*PPA MC No. 10 - 2009 effective July 1, 2009

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of July 01, 2009*

**II. NON-CONTAINERIZED CARGO**

<b>A. Vessel Charges (Stevedoring)</b>	<b><u>Basis</u></b>		<b><u>Non-Palletized</u></b>	<b><u>Palletized</u></b>
1. General Cargo				
a) Bagged Cargoes (Cargoes in bags, sacks)	/RT	Php	179.00	70.00
b) Frozen Cargoes				
b.1 Unpacked Fish	/RT	Php	556.00	-
b.2 Fish in Cartons	/RT		371.00	-
c) Others (Cargoes in crates, boxes, cases, drums, etc.)	/RT	Php	77.00	53.00
2. Heavy Lift				
a) 5 - 20 tons	/MT	Php	378.00	-
b) Over 20 tons	/MT		461.00	-
3. Steel Products	/MT	Php	61.00	43.00
4. Logs	/1000 Bd. Ft.	Php	162.00	-
5. Lumber	/1000 Bd. Ft.	Php	-	120.00
6. Bulk				
a) Free Flowing	/MT	Php	77.00	-
b) Non-Free Flowing	/MT		84.00	-
7. Shifting within hatch			150% of applicable rates	
8. Shifting from hatch to another or from one hold to dock/pier or barge or vice versa			200% of applicable rates	

NB The above charges shall be exclusive of equipment except for item 6 i.e Bulk Cargoes where clamshell shall be provided.

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of July 01, 2009*

***B. Cargo Charges (Arrastre)***

<u>Import</u>	<u>Basis</u>		<u>Non-Palletized</u>	<u>Palletized</u>
1. General Cargo				
a. Bagged Cargoes (cargoes in bags, sacks)	/RT	Php	216.00	96.00
b. Frozen Cargoes				
b.1 Unpacked Fish	/RT	Php	811.00	
b.2 Fish in Cartons	/RT		542.00	
c. Others (cargoes in crates, boxes, cases, drums, etc.)	/RT	Php	122.00	96.00
2. Steel Products	/RT	Php	143.00	114.00
3. Logs	/1000 Bd. Ft.	Php	186.00	-
4. Lumber	/1000 Bd. Ft.	Php	-	186.00
5. Heavy Lift				
5 - 15 tons	/MT	Php	293.00	-
Over 15 to 20 tons	/MT		485.00	-
Over 20 tons	/MT		681.00	-
6. Bulk Cargo	/MT	Php	122.00	-
7. Checking Charge (Shipside Delivery)	/RT	Php	14.00	-

***C. Roll-on-Roll-off Charges***

1. Vessel Charges (Stevedoring)	/RT	Php	65.00	
2. Cargo Charges ( Arrastre)	/RT		122.00	-

***D. Dangerous Cargo***      To be charged in accordance with PPA AO No. 02-89 dtd. 8/14/89 and PPA AO No. 01-90 dtd. 03/01/90.

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of July 01, 2009*

**III. MISCELLANEOUS CHARGES** (payable by whoever requested for services)

<b><u>A. CONTAINERIZED</u></b>	<b><u>Basis</u></b>		
1. Lifting and close of hatch covers, lids and supporting beams (non-self sustaining vessels only)*	/hatch	US\$	82.930
2. Making fast and letting go lines* Size of Vessel:			
Less than 10,000 GRT	/vessel	US\$	13.566
10,000 - 20,000 GRT	/vessel		15.504
20,000 - 30,000 GRT	/vessel		19.355
above 30,000 GRT	/vessel		23.231
3. Pier Lighting (night operations* - 1800H to 0600H)	/hour	US\$	1.661
4. Reefer Charges (Plug in/out)*	/box/hour or fraction		
20 footer		US\$	1.360
40 footer			3.171
- Reefer vans for export shall be subject to one (1) hour minimum			
- A minimum of six (6) hours shall be imposed on import reefer vans			
20 footer	/box	Php	350.00
40 footer	/box		816.00
5. a. B.O Turnover Survey*	gang/hour	US\$	21.519
b. Shoring/ Recouping (Labor Cost Only)* Materials, subject to the determination of both parties based on actual usage.	gang/hour	US\$	9.262
c. Stripping -FCL	/box	Php	6,450.00
- 100% examination	/box		6,450.00
- Over 10% but below 100% exam	/box		3,227.00
- BOC Spot Checking Exam	/box		986.00

\*PPA MC No. 10 - 2009 effective July 1, 2009



**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of July 01, 2009*

**Basis**

6. Equipment Rental (includes operator)

a. Shore Crane*	/hour or fraction thereof	US\$	111.874
b. Crane - 100 ton mobile crane minimum* of twelve (12) container moves	/minimum	US\$	423.058

EQUIPMENT HIRE:\*

Crane (Mobile) 100 Tons Capacity	/hour	US\$	247.759
Crane 50 Tons Capacity	/hour		101.278
Crane 25 Tons Capacity	/hour		57.837
Crane Container Barge Tango	/hour		35.537
Forklift 20 Ton Capacity	/hour		28.919
Forklift 10 Ton Capacity	/hour		15.956
Forklift 3 Ton Capacity	/hour		11.023
Toploader 25 Ton Capacity	/hour		43.365
Toploader 35 Ton Capacity	/hour		57.837
Shifter/Straddle			
Carrier 25 Ton Capacity	/hour		58.064
Tractor Head	/hour		15.907
Truck, Stake	/hour		11.023
Chassis with Truck/Tractor			
20 footer	/hour	US\$	6.997
40 footer	/hour		13.944

C. Pallets (outside rental)	/box	Php	58.00
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7. Transferring/storing of dangerous cargoes at the Dangerous Cargo Area (DCA) - (Per PPA MC 12 - 2004 for MICT and PPA MC 02-2005 for South Harbor)

Containerized Dangerous Cargo	/TEU	Php	3,545.00
LCL (non-palletized)	/RT		242.00
LCL (palletized)	/RT		186.00

The charges shall be distinct and in addition to the "premium charges" prescribed under PPA Admin. Order No. 02-89 (Cargo Handling Rate for Dangerous/Obnoxious Cargoes).

\*PPA MC No. 10 - 2009 effective July 1, 2009

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR  
As of July 01, 2009**

<b><u>Penalty Charges*</u></b>	<b><u>Basis</u></b>		
Stand-by Charges	gang/hour	US\$	27.786
<p>a. Manpower            Applies to vessel operation when labor is engaged to work but cannot work, when causes are attributable to vessel's fault, under the ff. conditions:</p> <ul style="list-style-type: none"> <li>a. waiting for vessel to dock;</li> <li>b. breakdown of vessel's gear;</li> <li>c. waiting for cargo/truck;</li> <li>d. men engaged but not put to work</li> </ul> <p>Standby time charges due to inclement weather shall not apply except when the cargo owner/ consignee insists on the deployment of a gang or objects to the knocking off of the gang during or impending inclement weather.</p>			
b. Shore Crane	/minute	US\$	6.040
Equivalent to four(4) Container Lifts per hour or fraction thereof	/hour	US\$	120.885

**B. NON-CONTAINERIZED**

1. Making fast and letting go lines			
Size of Vessel :			
Less than 10,000 GRT	/vessel	Php	623.00
10,000 - 20,000 GRT	/vessel		713.00
20,000 - 30,000 GRT	/vessel		892.00
above 30,000 GRT	/vessel		1,069.00
2. Pier Lighting (night operations - 1800H to 0600H)			
	/hour	Php	71.00

*\*PPA MC No. 10 - 2009 effective July 1, 2009*

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR  
As of July 01, 2009**

	<b><u>Basis</u></b>		
3. a. B.O. Turnover Survey	gang/hour	Php	866.00
b. Shoring/Recouping (Labor Cost Only) Materials, subject to the determination of both parties based on actual usage.	gang/hour	Php	372.00
4. Equipment Rental (includes operator)			
a. On-Dock			
Crane (Mobile) 100 Tons Capacity	/hour	Php	10,531.00
Crane 50 Tons Capacity	/hour		4,305.00
Crane 25 Tons Capacity	/hour		2,458.00
Forklift 20 Tons Capacity	/hour		1,229.00
Forklift 10 Tons Capacity	/hour		675.00
Forklift 3 Tons Capacity	/hour		468.00
Toploader 25 Tons Capacity	/hour		1,845.00
Toploader 35 Tons Capacity	/hour		2,458.00
Shifter/Straddle Carrier 35 Tons Capacity	/hour	Php	2,458.00
Tractor Head	/hour		675.00
Truck, Stake	/hour		468.00
b. On-Board			
Forklift 3 Tons Capacity	/hour	Php	773.00
c. Outside rental of pallets	/hour	Php	70.00

**Penalty Charges**

Standby time charges shall be applied on delays beyond the control of the cargo handling operator, only under the following circumstances:

- a. waiting for vessel to dock;
- b. breakdown of vessel's gear;
- c. waiting for cargo/truck/barges;
- d. non-readiness of the vessel;
- e. gang cancelled by client due to instances other than the above

a) On-Board	gang/hour	Php	2,764.00
b) On-Dock	gang/hour		2,156.00

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of July 01, 2009*

Standby time charges due to inclement weather shall not apply except when the cargo owner/consignee insists on the deployment of a gang or objects to the knocking off of a gang during or impending inclement weather.

**Extra Labor Services**

**Basis**

1. Gang Services

a) On-Dock

General Cargo Delivery Gang	gang/hour	Php	718.00
B.O. Turn-over Gang	gang/hour		913.00
Utility	gang/hour		942.00
Barge Delivery Operation	gang/hour		1,263.00
Lashing/Unlashing (RO-RO)	gang/hour		639.00
Lashing/Unlashing Gang	gang/hour		1,158.00
Self-Sustained Vessel (Loading/Unloading)	gang/hour		2,115.00
Integrated General Cargoes and Units	gang/hour		2,565.00

b) On-Board\*

Regular Gang	gang/hour	US\$	17.995
Big Gang	gang/hour		21.167
Manlighter Gang	gang/hour		12.560
Lashing/Unlashing/Shoring	gang/hour		20.864
Discharging Vessel/Barge Operation/Stripping	gang/hour		39.314

2. Personnel Services\*

Antigo	/hour	US\$	2.164
Batteryman	/hour		2.240
Cabo	/hour		2.240
Cabo B.O.	/hour		2.240
Carpenter	/hour		2.164
Checker Posting B.O.	/hour		2.164
Checker Delivery	/hour		2.316
Checker Posting	/hour		2.316
Checker Receiving	/hour		2.316
Checker Transfer	/hour		2.316
Clerk	/hour		2.164
Cooperer B.O.	/hour		2.164
Deliveryman	/hour		2.164
Electrician	/hour		2.164
Foreman Delivery	/hour		2.316
Foreman Receiving	/hour		2.316
Gatekeeper	/hour		2.417
Gearlockerman	/hour		2.164
Inspector B.O.	/hour		2.316

\*PPA MC No. 10 - 2009 effective July 1, 2009

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**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of July 01, 2009*

	<u><i>Basis</i></u>		
Inspector Gate	/hour	US\$	2.417
Lineman	/hour		2.164
Locator	/hour		2.164
Locator Van	/hour		2.164
Mechanic	/hour		2.316
Mechanic Helper	/hour		2.240
Moderno	/hour		2.139
Operator Crane (2)	/hour		2.844
Operator Forklift	/hour		2.164
Operator Gantry Crane	/hour		2.139
Operator Mobile	/hour		2.316
Operator Tractor	/hour		2.417
Reefer Technician	/hour		2.365
Signalman	/hour		2.164
Special Cargoman	/hour		2.164
Supervisor	/hour		2.466
Supervisor B.O.	/hour		2.466
Superintendent	/hour		2.668
Truck Driver	/hour		2.164
Utilityman	/hour		2.164
Welder	/hour		2.164
Winchman	/hour		2.164
Baggage Master	/hour		2.240

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October 16, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 21 - 2009**

**TO :** All Port District Managers  
Port Managers  
Others Concerned

**SUBJECT :** Uniform Share of the RO-RO Terminal Fee (RRTF)

PPA Memorandum Circular (MC) No. 17-2003 (See Port Rules and Regulations 2003 page 166) as amended by PPA MC No. 10-2008 (see Port Rules and Regulations 2008 page 38) and implemented under PPA Operations MC No. 10-2008 (see Port Rules and Regulations 2008 page 69), prescribes the RRTF to the following vehicle types plying at the Strong Republic Nautical Highway (SRNH), as follows:

<b>Vehicle Type</b>	<b>Description</b>	<b>RRTF (Inclusive of 12% E-Vat)</b>
1	Motorcycle, Tricycle, Scooter	PHP 65.00
2	Car, Minivan, SUV, AUV, Owner Jeep, PUJ (up to 16 pax)	129.00
3	Light Delivery Van, Pick-up Truck, PUJ(more than 16 pax)	258.00
4	Stake Truck, Heavy Delivery Truck, Passenger/Tourist Bus/Prime Mover/Tractor Head (with or without Trailer/Chassis)	516.00

The above rates are collected by the PPA on a per-sea-leg journey at the port of loading.

Under PPA Memorandum Order (MO) No. 17-2004 (See Port Rules and Regulations 2004 page 26), sharing of the RRTF is allowed provided the service providers can justify the extra work or services rendered to RO-RO vehicles. The sharing scheme are those that arose from negotiations between the PMO and service provider concerned which were justified and submitted for Head Office approval.

To date, fifteen (15) authorized service providers were granted approval as to the share of the RRTF. The sharing varies depending on the justification and recommendation elevated to Head Office by the concerned PMOs and PDOS.

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To have a uniform implementation of the RRTF share meantime that the RO-RO terminals are not yet privatized and since the RO-RO terminals are managed and operated by the service providers, an 80%-20% sharing of the RRTF in favor of the service provider is hereby prescribed at all PPA RO-RO capable ports.

The sharing scheme of the RRTF between PPA and the service providers previously approved is hereby revoked.

All PDOs/PMOs are directed to implement the new sharing scheme of 80%-20% effective immediately.

For compliance.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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November 23, 2009

**MEMORANDUM ORDER**  
**NO. 67 - 2009**

**TO :** All Port District Managers  
Port Managers  
Others Concerned

**SUBJECT :** Suspension of PPA Memorandum Circular No. 21 – 2009

Effective immediately, the implementation of PPA Memorandum Circular No. 21 – 2009 (see page 43) on the Uniform Share of the RO – RO Terminal Fee (RRTF) is hereby ordered **SUSPENDED**.

In the meantime, the sharing scheme previously approved by PPA pursuant to PPA Memorandum Order No. 17-2004 (See Port Rules and Regulations 2004 page 26) and being adopted by service providers shall continue to be enforced and implemented.

For strict compliance.

(Sgd.) **ATTY. OSCAR M. SEVILLA**



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November 27, 2009

**PPA MEMORANDUM CIRCULAR**  
NO. 24 - 2009

**TO :** The Concurrent Port District Manager, PDO Manila/Northern Luzon  
The Port Manager, PMO South Harbor  
The Officer-In-Charge, MICT  
International Container Terminal Services, Inc. (ICTSI)  
Asian Terminals, Inc. (ATI)  
Cargo Owners/Brokers/Shipping Lines  
And Other Port Users Concerned

**SUBJECT :** Second Tranche Increase on Cargo-Related Charges for Foreign  
Containerized and Non-Containerized Cargoes at South Harbor (SH)  
and Manila International Container Terminal (MICT)

Pursuant to PPA BoardCom Resolution No. 2009-1176 (see page 18) and confirmed by Board Resolution No. 2184 (see page 19) both adopted on March 27, 2009, a 15% cost-recovery rate adjustment to be implemented in two tranches was approved on the cargo-related (arrastre) handling tariff on foreign containerized and non-containerized cargoes at SH and MICT.

The First Tranche of Eight Percent (8%) was implemented on May 8, 2009.

The Second Tranche of Seven Percent (7%) (equivalent to a 15% total increase over the previous cargo handling tariff and not compounded) is to be implemented effective January 1, 2010.

This Memorandum Circular shall take effect January 1, 2010.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - December 2, 2009*

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December 9, 2009

**PPA OPERATIONS MEMORANDUM**  
**CIRCULAR NO. 09 - 2009**

**TO :** The Concurrent Port District Manager, PDO Manila/NoLuz  
The Port Manager, PMO-South Harbor  
The Officer-In-Charge, MICT  
Asian Terminals, Inc. (ATI)  
International Container Terminal Services, Inc. (ICTSI)  
Cargo Owners/Brokers/Shipping Lines  
And Other Port Users Concerned

**SUBJECT :** Second Tranche Increase on Cargo-Related Charges for Foreign  
Containerized and Non-Containerized Cargoes at South Harbor  
and Manila International Container Terminal (MICT)

Pursuant to PPA Memorandum Circular (MC) No. 24-2009\* dated November 27, 2009, the Second Tranche increase of Seven Percent (7%) (equivalent to a 15% total increase over the previous cargo handling tariff and not compounded) on cargo-related charges for foreign containerized and non-containerized cargoes at South Harbor and MICT is to be implemented effective January 1, 2010.

In connection with the said MC, attached is the revised schedule of cargo handling tariff (as of January 1, 2010) for South Harbor and MICT.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
AGM for Operations

*\*PPA MC No. 24-2009 was published in  
the Manila Standard on December 2, 2009.*

**Effectivity Date : January 1, 2010**

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**November 27, 2009**

**PPA MEMORANDUM CIRCULAR  
NO. 24 - 2009**

**TO :** The Concurrent Port District Manager, PDO Manila/Northern Luzon  
The Port Manager, PMO South Harbor  
The Officer-In-Charge, MICT  
International Container Terminal Services, Inc. (ICTSI)  
Asian Terminals, Inc. (ATI)  
Cargo Owners/Brokers/Shipping Lines  
And Other Port Users Concerned

**SUBJECT :** Second Tranche Increase on Cargo-Related Charges for Foreign  
Containerized and Non-Containerized Cargoes at South Harbor  
and Manila International Container Terminal (MICT)

Pursuant to PPA BoardCom Resolution 2009-1176 and confirmed by Board Resolution No. 2184 both adopted on March 27, 2009, a 15% cost-recovery rate adjustment to be implemented in two tranches was approved on the cargo-related (arrastre) handling tariff on foreign containerized and non-containerized cargoes at SH and MICT.

The First Tranche of Eight Percent (8%) was implemented on May 8, 2009.

The Second Tranche of Seven Percent (7%) (equivalent to a 15% total increase over the previous cargo handling tariff and not compounded) is to be implemented effective January 1, 2010.

This Memorandum Circular shall take effect January 1, 2010.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

***Published in the Manila Standard - December 2, 2009***

**PORT OF MANILA  
SCHEDULE OF CARGO HANDLING TARIFF AT  
MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR  
As of January 1, 2010**

**I. CONTAINERIZED CARGO**

**Basis**

**A. Vessel Charges (Stevedoring)\***

**Non-Self Sustaining Vessel**

1. CY/FCL

Loaded

20 footer	/box	US\$	77.997
40 footer	/box		109.106

Empty

20 footer	/box	US\$	65.564
40 footer	/box		84.466

2. CFS/LCL - Inbound/Outbound

20 footer	/box	US\$	193.219
40 footer	/box		281.585

3. Shifting on Board

/box	US\$	59.096
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4. Shifting via dock/barge/vice versa

SVD Loaded			
1-4 TEU/bay (or equivalent units)	/box	US\$	132.991
Above 4 TEU/bay (or equivalent units) but no more than 15 units/bay	/box	US\$	172.882
Above 15 units/bay	/box		224.730

SVD Empty			
1-4 TEU/bay (or equivalent units)	/box	US\$	132.991
Above 4 units/bay (or equivalent units)	/box		172.882

5. Foreign Transhipment (without rework)

20 footer	/box	US\$	113.459
40 footer	/box		141.875

\*PPA MC No. 10 - 2009 effective July 1, 2009

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of January 1, 2010*

<u><b>Self-Sustaining Vessel</b></u>	<u><b>Basis</b></u>		
1. CY/FCL			
<u>Loaded</u>			
20 footer	/ box	US\$	43.038
40 footer	/ box		74.046
<u>Empty</u>			
20 footer	/ box	US\$	30.781
40 footer	/ box		49.531
2. CFS/LCL - Inbound/Outbound			
20 footer	/ box	US\$	157.379
40 footer	/ box		245.116
3. Shifting on Board*			
	/ box	US\$	24.338
4. Shifting via dock/barge/vice versa*			
	/ box	US\$	63.349
5. Foreign Transhipment (without rework)*			
20 footer	/ box	US\$	50.539
40 footer	/ box		79.029

**B. Cargo Charges (Arrastre)\*\***

1. FCL - Import			
20 footer	/ box	Php	3,241.00
40 footer	/ box		7,436.00
2. FCL - Export			
20 footer	/ box	Php	2,646.00
40 footer	/ box		6,077.00
2.1 SHUT-OUT Export - an added charge on top of the arrastre (export) charge of:			
Full/Loaded	/ box	Php	2,643.00
Empty	/ box		1,321.00

3. CFS/LCL - Import and Export shall be charged based on actual weight or measurement of LCL cargoes applying the present general cargo rate.

**C. Dangerous Cargo** To be charged in accordance with PPA AO No. 02-89 dtd. 8/14/89 and PPA AO No. 01-90 dtd. 03/01/90.

\*PPA MC No. 10 - 2009 effective July 1, 2009

\*\*PPA MC No. 24 - 2009 effective Jan. 1, 2010

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of January 1, 2010*

**II. NON-CONTAINERIZED CARGO**

<b>A. Vessel Charges (Stevedoring)</b>	<b><u>Basis</u></b>		<b><u>Non-Palletized</u></b>	<b><u>Palletized</u></b>
1. General Cargo				
a) Bagged Cargoes (Cargoes in bags,sacks)	/RT	Php	179.00	70.00
b) Frozen Cargoes				
b.1 Unpacked Fish	/RT	Php	556.00	-
b.2 Fish in Cartons	/RT		371.00	-
c) Others (Cargoes in crates, boxes, cases, drums, etc.)	/RT	Php	77.00	53.00
2. Heavy Lift				
a) 5 - 20 tons	/MT	Php	378.00	-
b) Over 20 tons	/MT		461.00	-
3. Steel Products	/MT	Php	61.00	43.00
4. Logs	/1000 Bd. Ft.	Php	162.00	-
5. Lumber	/1000 Bd. Ft.	Php	-	120.00
6. Bulk				
a) Free Flowing	/MT	Php	77.00	-
b) Non-Free Flowing	/MT		84.00	-
7. Shifting within hatch			150% of applicable rates	
8. Shifting from hatch to another or from one hold to dock/pier or barge or vice versa			200% of applicable rates	

NB The above charges shall be exclusive of equipment except for item 6 i.e Bulk cargoes where clamshell shall be provided.

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of January 1, 2010*

**B. Cargo Charges (Arrastre)\*\***

<u>Import</u>	<u>Basis</u>		<u>Non-Palletized</u>	<u>Palletized</u>
1. General Cargo				
a. Bagged Cargoes (cargoes in bags, sacks)	/RT	Php	230.00	102.00
b. Frozen Cargoes				
b.1 Unpacked Fish	/RT	Php	864.00	
b.2 Fish in Cartons	/RT		577.00	
c. Others (cargoes in crates, boxes, cases, drums, etc.)	/RT	Php	130.00	102.00
2. Steel Products	/RT	Php	152.00	122.00
3. Logs	/1000 Bd. Ft.	Php	198.00	-
4. Lumber	/1000 Bd. Ft.	Php	-	198.00
5. Heavy Lift				
5 - 15 tons	/MT	Php	312.00	-
Over 15 to 20 tons	/MT		516.00	-
Over 20 tons	/MT		726.00	-
6. Bulk Cargo	/MT	Php	130.00	-
7. Checking Charge (Shipside Delivery)	/RT	Php	15.00	-

**C. Roll-on-Roll-off Charges**

1. Vessel Charges (Stevedoring)	/RT	Php	65.00	
2. Cargo Charges ( Arrastre)	/RT		130.00	-

**D. Dangerous Cargo**      To be charged in accordance with PPA AO No. 02-89 dtd. 8/14/89 and PPA AO No. 01-90 dtd. 03/01/90.

\*\*PPA MC No. 24 - 2009 effective Jan. 1, 2010

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of January 1, 2010*

**III. MISCELLANEOUS CHARGES** (payable by whoever requested for services)

<b>A. <u>CONTAINERIZED</u></b>	<b><u>Basis</u></b>		
1. Lifting and closing of hatch covers, lids and supporting beams (non-self sustaining vessels only)*	/hatch	US\$	82.930
2. Making fast and letting go lines*			
Size of Vessel:			
Less than 10,000 GRT	/vessel	US\$	13.566
10,000 - 20,000 GRT	/vessel		15.504
20,000 - 30,000 GRT	/vessel		19.355
above 30,000 GRT	/vessel		23.231
3. Pier Lighting (night operations* - 1800H to 0600H)	/hour	US\$	1.661
4. Reefer Charges (Plug in/out)*	/box/hour or fraction		
20 footer		US\$	1.360
40 footer			3.171
- Reefer vans for export shall be subject to one (1) hour minimum			
- A minimum of six (6) hours shall be imposed on import reefer vans**			
20 footer	/box	Php	373.00
40 footer	/box		869.00
5. a. B.O Turnover Survey*	gang/hour	US\$	21.519
b. Shoring/recouping (Labor Cost Only)* Materials, subject to the determination of both parties based on actual usage	gang/hour	US\$	9.262
c. Stripping -FCL**	/box	Php	6,868.00
- 100% examination	/box		6,868.00
- Over 10% but below 100% exam	/box		3,436.00
- BOC Spot Checking Exam	/box		1,050.00

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**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of January 1, 2010*

**Basis**

6. Equipment Rental (includes operator)

a. Shore Crane*	/hour or fraction thereof	US\$	111.874
b. Crane - 100 ton mobile crane minimum* of twelve (12) container moves	/minimum	US\$	423.058

EQUIPMENT HIRE: \*

Crane (Mobile) 100 Tons Capacity	/hour	US\$	247.759
Crane 50 Tons Capacity	/hour		101.278
Crane 25 Tons Capacity	/hour		57.837
Crane Container Barge Tango	/hour		35.537
Forklift 20 Tons Capacity	/hour		28.919
Forklift 10 Tons Capacity	/hour		15.956
Forklift 3 Tons Capacity	/hour		11.023
Toploader 25 Tons Capacity	/hour		43.365
Toploader 35 Tons Capacity	/hour		57.837
Shifter/Straddle			
Carrier 25 Ton Capacity	/hour		58.064
Tractor Head	/hour		15.907
Truck, Stake	/hour		11.023
Chassis with Truck/Tractor			
20 footer	/hour	US\$	6.997
40 footer	/hour		13.944

C. Pallets (outside rental)**	/box	Php	62.00
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7. Transferring/storing of dangerous cargoes at the Dangerous Cargo Area (DCA) - (Per PPA MC 12 - 2004 for MICT and PPA MC 02-2005 for South Harbor)\*\*

Containerized Dangerous Cargo	/TEU	Php	3,774.00
LCL (non-palletized)	/RT		258.00
LCL (palletized)	/RT		198.00

The charges shall be distinct and in addition to the "premium charges" prescribed under PPA Admin. Order No. 02-89 (Cargo Handling Rate for Dangerous/Obnoxious Cargoes).

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\*\*PPA MC No. 24 - 2009 effective Jan. 1, 2010

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of January 1, 2010*

<u>Penalty Charges*</u>	<u>Basis</u>		
Stand-by Charges	gang/hour	US\$	27.786
a. Manpower Applies to vessel operation when labor is engaged to work but cannot work, when causes are attributable to vessel's fault, under the ff. conditions:			
a. waiting for vessel to dock; b. breakdown of vessel's gear; c. waiting for cargo/truck; d. men engaged but not put to work			
Standby time charges due to inclement weather shall not apply except when the cargo owner/ consignee insists on the deployment of a gang or objects to the knocking off of the gang during or impending inclement weather.			
b. Shore Crane	/minute	US\$	6.040
Equivalent to four(4) Container Lifts per hour or fraction thereof	/hour	US\$	120.885

**B. NON-CONTAINERIZED**

1. Making fast and letting go lines\*\*

Size of Vessel :

Less than 10,000 GRT	/vessel	Php	664.00
10,000 - 20,000 GRT	/vessel		759.00
20,000 - 30,000 GRT	/vessel		950.00
above 30,000 GRT	/vessel		1,138.00

2. Pier Lighting (night operations\*\*  
 - 1800H to 0600H)

/hour	Php	76.00
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\*\*PPA MC No. 24 - 2009 effective Jan. 1, 2010

**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of January 1, 2010*

	<u><b>Basis</b></u>		
3. a. B.O. Turnover Survey	gang/hour	Php	922.00
b. Shoring/Recouping (Labor Cost Only)** Materials, subject to the determination of both parties based on actual usage.	gang/hour	Php	396.00
4. Equipment Rental (includes operator)			
a. On-Dock**			
Crane (Mobile) 100 Tons Capacity	/hour	Php	11,214.00
Crane 50 Tons Capacity	/hour		4,584.00
Crane 25 Tons Capacity	/hour		2,617.00
Forklift 20 Tons Capacity	/hour		1,309.00
Forklift 10 Tons Capacity	/hour		719.00
Forklift 3 Tons Capacity	/hour		498.00
Toploader 25 Tons Capacity	/hour		1,964.00
Toploader 35 Tons Capacity	/hour		2,617.00
Shifter/Straddle			
Carrier 35 Tons Capacity	/hour	Php	2,617.00
Tractor Head	/hour		719.00
Truck, Stake	/hour		498.00
b. On-Board			
Forklift 3 Tons Capacity	/hour	Php	773.00
c. Outside rental of pallets**	/hour	Php	75.00

**Penalty Charges**

Standby time charges shall be applied on delays beyond the control of the cargo handling operator, only under the following circumstances:

- a. waiting for vessel to dock;
- b. breakdown of vessel's gear;
- c. waiting for cargo/truck/barges;
- d. non-readiness of the vessel;
- e. gang cancelled by client due to instances other than the above

a) On-Board	gang/hour	Php	2,764.00
b) On-Dock**	gang/hour		2,295.00

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**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of January 1, 2010*

Standby time charges due to inclement weather shall not apply except when the cargo owner/consignee insists on the deployment of a gang or objects to the knocking off of a gang during or impending inclement weather.

**Extra Labor Services**

**Basis**

1. Gang Services

a) On-Dock\*\*

General Cargo Delivery Gang	gang/hour	Php	765.00
B.O. Turn-over Gang	gang/hour		972.00
Utility	gang/hour		1,003.00
Barge Delivery Operation	gang/hour		1,344.00
Lashing/Unlashing (RO-RO)	gang/hour		681.00
Lashing/Unlashing Gang	gang/hour		1,233.00
Self-Sustained Vessel (Loading/Unloading)	gang/hour		2,252.00
Integrated General Cargoes and Units	gang/hour		2,731.00

b) On-Board\*

Regular Gang	gang/hour	US\$	17.995
Big Gang	gang/hour		21.167
Manlighter Gang	gang/hour		12.560
Lashing/Unlashing/Shoring	gang/hour		20.864
Discharging Vessel/Barge Operation/Stripping	gang/hour		39.314

**Basis**

2. Personnel Services\*

Antigo	/hour	US\$	2.164
Batteryman	/hour		2.240
Cabo	/hour		2.240
Cabo B.O.	/hour		2.240
Carpenter	/hour		2.164
Checker Posting B.O.	/hour		2.164
Checker Delivery	/hour		2.316
Checker Posting	/hour		2.316
Checker Receiving	/hour		2.316
Checker Transfer	/hour		2.316
Clerk	/hour		2.164
Cooperer B.O.	/hour		2.164
Deliveryman	/hour		2.164
Electrician	/hour		2.164
Foreman Delivery	/hour		2.316
Foremain Receiving	/hour		2.316
Gatekeeper	/hour		2.417
Gearlockerman	/hour		2.164
Inspector B.O.	/hour		2.316

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**PORT OF MANILA**  
**SCHEDULE OF CARGO HANDLING TARIFF AT**  
**MANILA INTERNATIONAL CONTAINER TERMINAL AND SOUTH HARBOR**  
*As of January 01, 2010*

	<u><i>Basis</i></u>		
Inspector Gate	/hour	US\$	2.417
Lineman	/hour		2.164
Locator	/hour		2.164
Locator Van	/hour		2.164
Mechanic	/hour		2.316
Mechanic Helper	/hour		2.240
Moderno	/hour		2.139
Operator Crane (2)	/hour		2.844
Operator Forklift	/hour		2.164
Operator Gantry Crane	/hour		2.139
Operator Mobile	/hour		2.316
Operator Tractor	/hour		2.417
Reefer Technician	/hour		2.365
Signalman	/hour		2.164
Special Cargoman	/hour		2.164
Supervisor	/hour		2.466
Supervisor B.O.	/hour		2.466
Superintendent	/hour		2.668
Truck Driver	/hour		2.164
Utilityman	/hour		2.164
Welder	/hour		2.164
Winchman	/hour		2.164
Baggage Master	/hour		2.240

*\*PPA MC No. 10 - 2009 effective July 1, 2009*

# **CARGO HANDLING OPERATIONS**

April 14, 2009

PPA ADMINISTRATIVE ORDER  
NO. 03 – 2009

**TO :** District Managers, Port Managers, Department Managers, Cargo Handling Operators and Others Concerned

**SUBJECT :** AMENDMENT TO ARTICLE III (Guidelines in the Conduct of Public Bidding) OF PPA ADMINISTRATIVE ORDER NO. 01-2006

Pursuant to Sections 6-a(iii), and (v), 6-b(vi) and 23 of Presidential Decree No. 857, as amended, and in order to further clarify the procedures for the bidding and award of cargo handling (CH) services and to harmonize the requirements thereof with the other pertinent regulations on the matter, Article III (Guidelines in the Conduct of Public Bidding) of PPA Administrative Order No. 01-2006, otherwise known as the “Compendium of Regulations on Cargo Handling Operations”, is hereby amended and modified as follows:

## **“ARTICLE III Guidelines in the Conduct of Public Bidding**

### **21. Policy on Public Bidding of CH Services**

As a general rule, the award of contracts for the management and operations of CH services shall be through a transparent and competitive public bidding.

### **22. Governing Principles in Public Bidding of CH 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 processes.
- 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 relative thereto.
- 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

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awarded pursuant to this Order and that all these contracts are performed strictly to specifications.

**23.1 Scope and Application of the Guidelines**

These guidelines shall govern and apply to the bidding and award of contracts for the management and operations of CH services as specified in Article II of PPA Administrative Order No. 01-2006.

**23.2 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 existing CH contracts in the port.
- b) For CH services in ports without authorized CH operators or for new port facilities, the bidding of such services shall be conducted immediately.
- c) CH services under existing Special Takeover Units (STUs) shall be bid out within six(6) months from the effectivity of this Order. CH services that may hereafter be taken over by the Authority shall be bid out within six (6) months from the date of the take-over of said services.

**24. Bids and Awards Committee (BAC)**

- a) Constitution of the BAC

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

Regular Members:

- Chairperson - District Manager
- Vice Chairperson - The Port Manager  
(PMO having jurisdiction of the port)
- Member - Manager, Legal Affairs  
Division, PDO

Provisional Members:

- Manager, Port Services  
Division, PMO
- Manager, Resource  
Management  
Division, PMO

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- b) Observers:
- Authorized representative from each of the following organizations:
- i. Shipping Industry;
  - ii. Philippine Chamber of Arrastre and Stevedoring Operators (PCASO);
  - iii. Philippine Chamber of Commerce and Industry (PCCI);
  - iv. Catholic Bishops' Conference of the Philippines (CBCP);
  - v. Volunteers Against Crime and Corruption (VACC); and
  - vi. Commission on Audit (COA).
- c) The BAC shall have at least five (5), but not more than seven (7) members.
- d) Unless sooner removed for a cause, the term of the members of the BAC shall be co-terminus with the bidding process but not to exceed one (1) year, from the date of appointment, renewable at the discretion of the General Manager. In case of resignation, retirement, separation, transfer, re-assignment, removal, or death, the replacement shall serve only for the unexpired term: Provided, however, that in case of leave or suspension, the replacement shall serve only for the duration of the leave or suspension. For justifiable causes, a member shall be suspended or removed by the General Manager. In the interest of professionalization, the General Manager may extend the term of office of deserving members.

**25. Functions of the BAC**

- a) The BAC shall have the following functions:
- 1) Prepare the bidding documents;
  - 2) Advertise and post the Invitation to Apply for Eligibility and to Bid (IAEB);
  - 3) Conduct pre-procurement and pre-bid conferences;



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- 4) Issue Supplemental/Bid Bulletin;
  - 5) Determine the eligibility of prospective bidders;
  - 6) Receive and open bids;
  - 7) Conduct evaluation and comparison of bids;
  - 8) Undertake post-qualification proceedings;
  - 9) Resolve motions for reconsideration;
  - 10) Recommend award of CH contract to the General Manager; and
  - 11) Perform such other related functions as may be necessary, including the application of relevant provisions of Republic Act No. 9184 and its Implementing Rules and Regulations (IRR), and the creation of a Technical Working Group (TWG), from a pool of technical, financial and/or legal experts to assist in the bidding.

b) Quorum

A majority of the total BAC composition shall constitute a quorum for the transaction of business, 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 only in case of a tie.
- 3) Observers and representatives of BAC members shall have no right to vote during BAC meetings, nor shall the representatives of BAC members be authorized to sign in behalf of the members represented.

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**26. BAC Observers**

- a) To enhance the transparency of the competitive bidding, the BAC shall, in all the stages of the selection process, invite all observers mentioned in Section 24 b) of this Order to sit in its proceedings.
- b) Observers will be informed at least two (2) days before the stages of bidding to which observers shall be invited on the following bidding activities:
  - 1) Pre-bid conference;
  - 2) Opening of bids;
  - 3) Post-qualification;
  - 4) Contract award; and
  - 5) Special meetings.

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

- c) 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 this Order, and areas of improvement in the BAC's proceedings for submission to the General Manager, copy furnished the BAC Chairperson;
  - 2) Upon request, the BAC shall furnish the observers a copy of the following documents:
    - (a) Minutes of BAC Meetings;
    - (b) Abstract of Bids;
    - (c) Post-qualification Summary Report; and
    - (d) Copies of opened bids.
  - 3) Sign the abstract of bids and post-qualification report, if amenable to the bidding activities and results of the post-qualification; and

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- 4) May give a copy of their reports to the Office of the Ombudsman or Resident Ombudsman if the BAC is found to have failed in following the prescribed bidding procedures or for any justifiable and reasonable ground where the award of the CH contract will not redound to the benefit of the Authority.

**27. BAC Secretariat and its Functions**

- a) The Chairperson of the BAC shall designate a Secretariat which will serve as the main support unit of the BAC. The Secretariat shall have the following functions:
  - 1) Provide administrative support to the BAC;
  - 2) Organize and make all necessary arrangements for BAC meetings;
  - 3) Attend BAC meetings as Secretary;
  - 4) Prepare the “Minutes” of the BAC meetings;
  - 5) Take custody of all bidding documents and be responsible for the sale and distribution of bidding documents to interested bidders;
  - 6) Assist in managing the bidding process;
  - 7) Monitor bidding activities and milestones for proper reporting to relevant agencies when required;
  - 8) Make arrangements for the pre-procurement and pre-bid conferences and bid openings;
  - 9) Record all proceedings of the bidding and prepare the corresponding report thereof, as well as the relevant documents to be submitted to the concerned offices of the Authority; and
  - 10) Serve as the central channel of communications for the BAC.
- b) The Head of the BAC Secretariat shall be at least a third ranking permanent employee of the PDO concerned, or if not available, a permanent official of the next lower rank
- c) The members of the BAC, TWG and Secretariat may be granted honoraria in accordance with the pertinent Department of Budget and Management (DBM) guidelines on the matter

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**28. Preparation of Bidding Documents**

- a) The bidding documents shall be prepared by the BAC following the generic forms appended in this Order. The BAC may, however, modify pertinent provisions of said bidding documents, or include new or additional provisions to the said documents depending on the requirements of the CH services or the circumstances obtaining in the port subject of bidding. The bidding documents prepared by the BAC shall be subject to review and approval of the Assistant General Manager for Operations if the term of the CH contract to be bid out is five (5) years and below. However, if the intended term of the CH contract is more than five (5) years, the corresponding bidding documents therefore shall be approved by the General Manager. The bidding documents shall be as follows:
- 1) Invitation to Apply for Eligibility and to Bid (Annex III-A);
  - 2) Instructions to Prospective Bidders (Annex III-B);
  - 3) Instructions to Bidders (Annex III-C);
  - 4) Terms of Reference (Annex III-D);
  - 5) Technical Bid (Annex III-E);
  - 6) Financial Bid (Annex III-F); and
  - 7) Pro-forma CH Contract (Annex III-G).
- b) The bidding documents shall clearly and adequately define, among others: (a) objectives and scope of the contract; (b) contract duration; (c) obligations and duties of the winning bidder; and (d) minimum eligibility requirements.
- c) The BAC may require additional documentary requirements or specifications, where applicable and necessary, to complete the information required for the bidders to prepare and submit their respective bids.
- 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. The bidder may submit a bid which provides for superior specifications and/or better terms and conditions to the Authority. However, these shall not be given any bonus, credit or premium in the bid evaluation.

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- e) Prospective bidders shall be given ample time to examine the bidding documents and to prepare their respective bids. Bidders shall be required to pay for the bidding documents to recover the cost of its preparation and development. The BAC shall issue the bidding documents upon 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. Invitation to Apply for Eligibility and to Bid (IAEB)**

- a) Pre-procurement Conference

Prior to the advertisement or issuance of the IAEB, the BAC shall call, through the Secretariat, for a pre-procurement conference. The conference shall be attended by the BAC, the Secretariat, the unit or officials who prepared the Terms of Reference (TOR), bidding documents and the draft advertisement, as the case may be, as well as those who separately reviewed these documents prior to the final approval, if any. During this conference, the participants, led by the BAC, shall:

- 1) Determine the readiness of the procurement at hand and adherence of the bidding documents to relevant procurement guidelines on the matter;
- 2) Review, modify and agree on the criteria for eligibility screening to ensure their fairness, reasonableness and that they are of the "pass/fail" type and are written in such manner;
- 3) Review, modify and agree on the criteria for the evaluation of bids to ensure their fairness, reasonableness and applicability to the procurement at hand;
- 4) Clarify that the specifications and other terms in the bidding documents are minimum requirements and that the bidder may submit a bid which provides better terms and conditions to the Authority at no extra cost, without any bonus, credit or premium in the bid evaluation; and

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- 5) Emphasize the importance of confidentiality during the bid evaluation process and the applicable sanctions and penalties for violation thereof.
- b) Advertising, Posting and Contents of the IAEB
- 1) The IAEB 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 and minimum requirements 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 conference(s), 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 duration of the CH contract;
    - f) Instruction to prospective bidders to submit to the BAC a Letter of Intent (LOI) together with its application for eligibility;
    - g) The name, address, telephone or mobile number, facsimile number, e-mail and website addresses of the Authority (PDO or PMO) and the designated contact person(s); and
    - h) Such other necessary information deemed relevant and necessary by the BAC.
  - 2) The IAEB shall be advertised and posted as follows:
    - a) Advertised at least once in one (1) newspaper of general nationwide circulation which has been regularly published for at least two (2) years before the date of issue of the advertisement;

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- b) Posted continuously in the PPA website and the Government Electronic Procurement System (G-EPS) for seven (7) calendar days starting on the date of advertisement; and
  - c) Posted at any conspicuous place/s in the premises of PPA Head Office, PDO and PMO and in the port subject of bidding for seven (7) calendar days.

c) Submission of Letter of Intent (LOI)

The interested parties shall submit the LOI and application for eligibility to the BAC not later than seven (7) calendar days from the last date of posting of the IAEB.

d) Pre-Bid Conference(s)

- 1) The pre-bid conference(s) shall be held at least twelve (12) calendar days before the deadline for the submission and receipt of bids.
- 2) Only eligible bidders as determined by the BAC and issued corresponding notices of eligibility may attend said conference. Attendance of the eligible bidders to the said conference is not mandatory.
- 3) The pre-bid conference shall discuss, among others, matters relative to the technical and financial bids, and other relevant bidding matters.
- 4) 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.
- 5) 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 thereto and issued as a Supplemental or Bid Bulletin.

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6) Supplemental/Bid Bulletin

- (a) Supplemental/Bid Bulletin may be issued upon the BAC'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. 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 in accordance with the pertinent provisions hereof.
- (b) Requests for clarification 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.

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. It shall be the responsibility of all those who have properly secured the bidding documents to inquire and secure Supplemental/Bid Bulletin that may be issued by the BAC.

- (c) All Supplemental/Bid Bulletin issued by the BAC shall also be posted on the PPA website and on the G-EPS.

e) Eligible Participants

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

- 1) Duly licensed Filipino citizens/sole proprietorships;
- 2) Partnerships duly organized under the laws of the Philippines, and of which at least sixty (60%) of the interest belongs to the citizens of the Philippines;



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- 3) Corporations duly organized under the laws of the Philippines, and of which at least sixty percent (60%) of the outstanding capital stock belongs to citizens of the Philippines;
  - 4) Persons or entities forming themselves into a joint venture that intend to be jointly and severally responsible or liable for the CH contract: Provided, however, that Filipino ownership or interest of the joint venture concerned shall be at least sixty percent (60%); or
  - 5) Cooperatives duly registered with the Cooperatives Development Authority (CDA).

The shipping companies shall not be eligible to participate in the bidding of CH services, either as a sole bidder or as a member in a joint venture. However, individual stockholders of the shipping companies are allowed to be a member of a joint venture provided that the individual share holdings shall not exceed 5% nor the aggregate share holdings of all such stockholders shall exceed 10% of the total shares of the corporation that will be formed if it will be declared the winning bidder.

**30. Submission, Receipt and Opening of Eligibility Requirements**

- a) The eligibility requirements shall be submitted to the BAC in the prescribed forms 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 IAEB 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 bidding documents from the Authority. 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 eligible 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/fail" criteria, as stated in the IAEB, and shall be determined as either eligible or ineligible. If a prospective bidder submits the specific eligibility document required, it shall be rated

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“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 of the grounds for its ineligibility. Those found ineligible have three (3) 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 a 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 preset eligibility

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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) Only an eligible bidder as determined by the BAC in accordance with the provisions hereof may purchase the bidding documents and submit the corresponding bid. The determination of eligibility shall be based on the submission of the following documents to the BAC, utilizing the forms prescribed by the BAC and using the criteria approved for this purpose:

**Legal Documents**

- 1) LOI and Application for Eligibility
- 2) Authority of signing official
- 3) Articles of Incorporation/Partnership/Cooperation and By-Laws, whichever may be appropriate under existing laws of the Philippines
- 4) Department of Trade and Industry (DTI), Securities and Exchange Commission (SEC) or Cooperative Development Authority (CDA) Certificate of Registration, whichever may be appropriate under existing laws of the Philippines
- 5) Valid and current Mayor's Permit or Municipal License from the City or Municipality where the principal place of business is located
- 6) Taxpayer's Identification (TIN) Card
- 7) Joint Venture Agreement in case of persons or entities forming themselves into a Joint Venture
- 8) Affidavit of the prospective bidder or duly authorized representative that it is not "blacklisted" or barred from bidding by the Government, or any of its agencies, offices or corporations and has no CH contract terminated or cancelled for cause
- 9) Affidavit by the bidder or duly authorized representative that each document submitted in satisfaction of the eligibility requirements is an authentic and original copy or a true and faithful reproduction of the original and that all statements and information provided therein are true and correct

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- 10) Affidavit of the Bidder or duly authorized representative of its compliance with existing labor laws and standards
  - 11) Affidavit of Disclosure of No Relationship
  - 12) Letter of Authority to verify submitted documents
  - 13) Other appropriate documents, clearances and licenses that may be required by the Authority

**Technical Documents**

- 1) Business Profile of the Prospective Bidder
- 2) Curriculum Vitae (CV) of prospective bidder's principal/key personnel for CH operations, namely: General Manager, Operations Manager, Safety Officer and Supervisor, all of which must have at least five (5) years relevant work experience.
- 3) Statement of prospective bidders of its completed, ongoing and awarded but not yet started CH contracts
- 4) The types and number of CH equipment that the prospective bidder owns, has under lease, and/or has under purchase agreements, if any
- 5) Copy of latest General Information Sheet (GIS) submitted to the SEC, if applicable

**Financial Documents**

- 1) Audited financial statements, stamped "Received" by the BIR or its duly accredited and authorized institutions for the immediately preceding calendar year showing, among others, total and current assets and liabilities. For new establishments, balance sheet and income statement, stamped "Received" by the BIR or its duly accredited and authorized institutions for the most recent quarter
- 2) Income Tax Return (ITR) for the immediately preceding year duly filed and stamped "Received" by the BIR, or proof of electronic filing of the same. For new establishments which have no annual ITR, the most recent quarterly ITR duly filed and stamped "Received" by the BIR or proof of electronic filing thereof

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- 3) Value Added Tax (VAT) or Percentage Tax Return (PTR) covering the immediately preceding six (6) months duly filed and stamped "Received" by the BIR, or proof of electronic filing of the same. For those with less than six (6) months of operations, the monthly business tax returns duly filed and stamped "Received" by the BIR or proof of electronic filing thereof
  - 4) Tax Clearance Certificate issued by the Collection Enforcement Division of the BIR
  - 5) Certification from the PPA Head Office Treasury Department that the prospective bidder has no outstanding account
  - 6) Prospective bidder's computation of its Available Paid Up Capital/owner's equity for the Contract (APCC/OE)

The APCC shall be at least equal to the paid up capital/owner's equity required for the CH contract subject of bidding.

FORMULA:

APCC/OE = Paid Up Capital/Owner's Equity per financial statements less paid up capital required for all existing CH contracts and CH contracts awarded but not yet started

Or, in lieu thereof, a commitment from a bank duly licensed by the Bangko Sentral ng Pilipinas to extend to the prospective bidder a credit line if awarded the CH contract the amount of which shall be at least equal to the paid up capital/owner's equity required for the CH contract to be bid.

- 7) Prospective bidder's intended working capital for CH operations

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**31. Submission and Receipt of Technical and Financial Bids**

- a) Eligible bidders shall submit their bids thru their duly authorized officers or representatives in the prescribed bid forms, including its 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 Bid and the second envelope the Financial Bid, with the name of the contract to be bid and the name of the bidder in capital letters addressed to the BAC. The bidder shall mark the two (2) envelopes: "Do not open before (date and time of opening of bids)." Both envelopes shall then be sealed in an outer envelope which shall be addressed to the BAC and shall be marked as specified in the Instructions to Bidders (ITB).
- b) The Technical Bid shall contain the following technical information and documents:
- 1) Authority of signing official;
  - 2) Bid security as to form, amount and validity period;
  - 3) Certificate of Site Inspection issued by duly authorized official of PMO concerned;
  - 4) Affidavit of Site Inspection of the port executed by the bidder or authorized representative;
  - 5) Affidavit of Compliance on Bidder's Responsibilities;
  - 6) Organizational Chart for the CH contract to be bid;
  - 7) The Business Plan with all its components, as provided for in Article II, Section 17 (b) (5) of PPA Administrative Order No. 01-2006, as amended, and each component shall include the prescribed minimum requirements thereof, if any; and
  - 8) List of principal/key CH personnel for deployment at the start of operations.

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c) The Financial Bid shall contain the proposed CH tariff to be charged to the shippers/port users or the committed government share on the gross income from the CH services, depending on the type of the CH operations in the port subject of the bidding:

- 1) For ports with manual CH operations, the Financial Bid shall contain the proposed CH tariff to be charged to the shippers or port users for the CH services rendered in the port which shall be lower by a certain percentage than the existing approved CH tariff. The said percentage shall be invariably applied to all tariff items, except on Ro-Ro Cargo subject to the Ro-Ro Tariff or Terminal Fee which shall have the same rates as prescribed under existing PPA regulations. In case where the existing CH tariff is unreasonably low as determined by the PMO concerned and confirmed as such by the Commercial Services Department (CSD), the CSD shall prescribe the corresponding CH tariff which shall be the basis of the CH tariff to be proposed by the bidder.

However, the proposed CH tariff shall not be lower than the "Floor" prescribed therefor in the bidding documents; otherwise, the Financial bid shall be considered as non-complying.

- 2) For ports with mechanized CH operations, the Financial Bid shall contain the committed government share on the gross income from CH Operations for the duration of the contract which shall be at the rate of not less than 10% of the gross income from domestic CH operations and 20% of the gross income from foreign CH operations but in no case shall the said percentages exceed the ceiling indicated in the bidding documents; otherwise, the said financial bid shall be considered as non-complying.

**32. Modification and Withdrawal of Bids**

- 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 shall only be allowed to send another bid equally 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.

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- 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 may be imposed by the Authority. A bidder may also express its intention not to participate in the bidding thru a letter, which should reach and be stamped received by the BAC before the deadline for the receipt of bids. A bidder that withdraws its bid shall not be permitted 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 CH contract with the Authority.
- b) The bid security shall be in the amount at least equal to, and not lower than, a percentage of the total gross income from CH operations at the subject port in the immediately preceding year based on the record of the Authority, in any of the following forms:
- i. Cash, certified check, cashier's check, manager's check, bank draft or guarantee confirmed by a reputable local bank;
  - ii. Irrevocable letter of credit issued by a reputable commercial bank or in the case of an irrevocable letter of credit issued by a foreign bank, the same shall be confirmed or authenticated by a reputable local bank;
  - iii. Surety bond, callable upon demand, issued by the Government Service Insurance System (GSIS) or other reputable surety or insurance company duly licensed by the office of the Insurance Commission; or
  - iv. Any combination thereof.

The required amount of the above forms as bid security shall be in accordance with the following schedule:



FORM OF BID SECURITY	P _____ (TOTAL GROSS INCOME FROM CH OPERATIONS OF THE PORT FOR THE IMMEDIATELY PRECEDING YEAR)
Cash, certified check, cashier's check, manager's check, bank draft or irrevocable letter of credit	One percent (1%)
Bank guarantee	One and a half percent (1½%)
Surety Bond	Two and a half percent (2½%)

The required bid security based on the above schedule shall be the minimum amount thereof and shall be stated in Philippine Peso in the bidding documents.

- c) No bid securities shall be returned to the bidder after the opening of bids and before contract signing, except to those that (i) failed to comply with any of the requirements to be submitted in the first bid envelope (Technical Bid) of the bid, or (ii) were post-disqualified and submitted a written waiver of its right to file a motion for reconsideration and/or protest in accordance with the pertinent provisions hereof. Without prejudice to the provisions on the forfeiture of bid securities, bid securities shall be returned only after the winning bidder has signed the contract and furnished the performance security, but in no case later than the expiration of the bid security validity period.

**34. Bid Validity and Opening**

- a) Bids and bid securities shall be valid for a period of one hundred twenty (120) calendar days from the date of the opening of bids and such validity period shall be indicated in the bidding documents.

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- b) The BAC shall open the bids at the time, date and place specified in the IAEB 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 Bids 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 Bid, using non-discretionary "pass/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 and immediately return to the bidder concerned its Financial Bid unopened. Otherwise, the BAC shall rate the said Technical Bid as "passed".
- b) A bidder determined as "failed" has three (3) 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 Bid, the BAC shall hold the Financial Bid of said failed bidder unopened and duly sealed until such time that the motion for reconsideration has been resolved.

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- c) Immediately after determining compliance with the requirements in the Technical Bid, the BAC shall forthwith open the Financial Bid of each remaining eligible bidder whose Technical Bid was rated “passed”. The Financial Bid of each complying bidder shall be opened within the same day. In case one or more of the requirements in the Financial Bid of a particular bid is missing, incomplete or patently insufficient, the BAC shall rate the bid concerned as “failed”.
  - d) The Financial Bid shall be considered as non-complying under the following instances:
    - 1. For ports with manual CH operations – The Financial Bid submitted does not provide a reduction in CH Tariff; or provide a reduction in rates in some but not in all tariff items; or does not provide a uniform reduction for all tariff items; or the proposed rates in any or all of the tariff items exceeds the floor prescribed therefor in the bidding documents.
    - 2. For ports with mechanized CH operations – The Financial Bid submitted provides with government share on the gross income from domestic CH operations and/or foreign CH operations that exceed the “floor” and/or “ceiling” prescribed therefor in the bidding documents.
  - e) Only bids that are determined to contain all the bid requirements for both Technical and Financial bids shall be rated “passed” and shall immediately be considered for evaluation and comparison.
  - f) 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 NOA.

**36. Detailed Evaluation and Comparison of Bids**

- a) The BAC shall undertake a detailed evaluation and comparison of the financial bids to determine their compliance with the requirements of Section 31 c) of this Order. If the financial bid does not meet the said requirements, the same is considered non-complying and shall be rejected.

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- b) For ports with Manual CH operations, the BAC shall rank the complying bidders thereof in ascending order based on their financial bids to identify the Lowest Calculated Bid (LCB).

For ports with Mechanized CH operations, the BAC shall rank the complying bidders thereof in descending order based on their financial bids to identify the Highest Calculated Bid (HCB).

- c) The bidder with the LCB or HCB, as the case maybe, shall be subject to post-qualification to determine its responsiveness to the eligibility and bid requirements.
- d) 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 of bidding and its location;
  - 2) Time, date and place of bid opening; and
  - 3) Names of bidders and their corresponding financial bid arranged from lowest to highest or highest to lowest, as the case maybe, the amount of bid security and the name of the issuing entity.

**37. Post-Qualification**

Objective and Process of Post-Qualification

- a) Within seven (7) calendar days from the determination of the LCB or HCB, as the case maybe, the BAC shall conduct and accomplish a post-qualification of the bidder with the LCB or HCB, to determine whether the bidder concerned complies with all the requirements and conditions for eligibility and the bidding, as specified in the bidding documents, in which case the said bidder's bid shall be considered and declared as the Lowest Calculated and Responsive Bid (LCRB) or Highest Calculated and Responsive Bid (HCRB).

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- b) The post-qualification shall validate and ascertain all statements made and documents submitted by the bidder with the LCB or HCB, 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 by the Government or any of its agencies or instrumentalities;
  - 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 CH services;
    - (b) Verification of availability and commitment, and/or inspection of CH equipment and gears owned, leased or to be leased by the bidder; and
    - (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, among others, the financial bid, available paid-up capital, committed working capital and credit line with the bank, if any.
- c) If the BAC determines that the bidder with the LCB or HCB, as the case maybe, passes all the criteria for post-qualification, it shall declare the said bidder as the LCRB or HCRB and the CH contract shall be awarded to the said bidder.
- d) If, however, the BAC determines that bidder with the LCB or HCB fails the criteria for post-qualification, it shall immediately notify the said bidder in writing of its post disqualification, and the grounds for it. The post-disqualified bidder shall have three (3) calendar days from receipt of the said notification to request from the BAC, if it so wishes, a reconsideration of this decision.

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The BAC shall evaluate the request for reconsideration, if any, using the same non-discretionary criteria and shall issue its final determination of the said request within seven (7) calendar days from receipt thereof.

- e) Immediately after the BAC has notified the first-ranked bidder 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 second-ranked bidder. 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 be post-qualified as the bidder with the LCRB or HCRB and the CH contract shall be awarded to it.
- f) If the second-ranked bidder, however, fails the post-qualification, the procedure for post-qualification shall be repeated for the bidder with the next-ranked bidder, and so on until the LCRB or HCRB is determined for award.

In the event two or more bidders have been post-qualified as LCRB or HCRB, the tie shall be resolved through the following tie-breaking scheme, viz:

1. The lotto scheme shall be used wherein the concerned bidders shall select the lotto draw dates to be used (e.g. 6/42 - every Tuesday and Saturday, 6/45 - every Monday, Wednesday and Friday or 6/49 - every Sunday and Thursday);
2. From slots 1 to 6, each concerned bidder shall select their respective slot thru drawing of numbers;
3. During the lotto draw date (as selected by the bidders), the numbers as consecutively drawn shall be placed in the slots 1 to 6; i.e. first number to be drawn shall be placed in slot no. 1, second to be drawn in slot no. 2 and so on;
4. The bidder whose slot gets the highest number shall be declared as the LCRB or HCRB;
5. In case there are more than six (6) tied bidders, the BAC shall use the bingo chips to break the tie.

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**38. Failure of Bidding**

- 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 an LOI and application for eligibility 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 bidder with the LCRB or HCRB 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 CH 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 IAEB 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 adopt the alternative method of negotiated procurement.

**39. Single Calculated and Responsive Bid Submission**

A single calculated and responsive bid (SCRB) 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 an LOI and 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;

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- b) If after advertisement, more than one (1) prospective bidder submits an LOI and 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.

The BAC shall ensure that the technical and financial bids of this bidder are advantageous to the government.

**40. Notice and Execution of Award**

- a) Contract Award
  - 1) The Assistant General Manager for Operations, the General Manager or the PPA Board of Directors, depending on the term of the CH contract, shall within a period of fifteen (15) calendar days from the determination and declaration of the LCRB, HCRB or SCRB, as the case maybe, and receipt of the corresponding recommendation for the award of CH contract, approve or disapprove said recommendation. In case of approval, the NOA shall be immediately issued to the bidder with the LCRB, HCRB or SCRB with corresponding advice to submit the required performance security within (30) calendar days from the effectivity of the contract.
  - 2) Contract award shall be made within the bid validity period. Should it become necessary to extend the validity of the bids and, if applicable, the bid securities, the Authority shall request in writing all those who submitted bids for such extension before the expiration date therefor. Bidders, however, shall have the right to refuse to grant such extension without forfeiting their bid securities.
  - 3) The BAC shall also notify all losing bidders of its decision.



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b) Contract Documents

- 1) The following documents shall form part of the CH contract:
  - (a) Invitation to Apply for Eligibility and To Bid;
  - (b) Bidding Documents;
  - (c) Addenda and/or Supplemental/Bid Bulletin, if any;
  - (d) Eligibility requirements, documents and/or statements;
  - (e) Technical and Financial bids including all its annexes;
  - (f) Notice of Award and the winning bidder's "Conforme" thereto;
  - (g) Performance security and other documents that may be required; and
  - (h) Other documents as may be required by existing laws or by the Authority.

c) Contract Signing

The winning bidder or its duly authorized representative shall formally enter into contract with the Authority within ten (10) calendar days from receipt of the NOA.

d) Approval of CH contract by Higher Authority

When further approval of the PPA Board of Directors is required, the BAC shall, through appropriate channels, submit to the Board the CH contract with all the required supporting documents and the Board shall act on the same within twenty five (25) calendar days from receipt thereof.

e) Notice to Proceed (NTP)

The Authority shall issue the NTP, together with a copy or copies of the approved CH contract to the successful bidder, within three (3) calendar days from date of approval. All notices called for by the terms of the CH contract shall be effective only at the time of receipt thereof by the successful bidder.

If an effectivity date is provided in the NTP, all notices called for by the terms of the approved CH contract shall be effective only from such effectivity date.

f) Performance Security

To guarantee the faithful performance by the winning bidder of its obligations under the contract, it shall post a Performance Security within thirty (30) calendar days from effectivity of the CH Contract. The performance security shall be in any of the following forms:

- (a) Cash, certified check, cashier's/manager's check, bank draft/guarantee confirmed by a reputable local bank;
- (b) Irrevocable letter of credit issued by a reputable commercial bank or in case of an irrevocable letter of credit issued by a foreign bank the same shall be confirmed or authenticated by a reputable local bank;
- (c) Surety bond, callable upon demand, issued by the GSIS or other reputable surety or insurance company duly licensed by the office of the Insurance Commission; or
- (d) A combination of the foregoing.

The required amount of the above forms of security shall be in accordance with the following schedule:

FORM OF PERFORMANCE SECURITY	P _____ (TOTAL GROSS INCOME FROM CH OPERATIONS OF THE PORT FOR THE IMMEDIATELY PRECEDING YEAR)
Cash, certified check, cashier's check, manager's check, bank draft or irrevocable letter of credit	Five percent (5%)
Bank guarantee	Ten percent (10%)
Surety Bond	Thirty percent (30%)

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The performance security shall be posted in favor of the Authority and shall be forfeited in favor of the Authority in the event it is established that the winning bidder is in default in any of its obligations under the CH contract.

- g) Failure to Enter into Contract and Post Performance Security
1. If the bidder with the LCRB, HCRB or SCRB fails, refuses or is unable to make good its bid by entering into a contract with the Authority or post the required performance security within the period stipulated in the bidding documents, the bid security shall be forfeited and the appropriate sanctions shall be imposed, except where the failure, refusal or inability is through no fault of the said bidder.
  2. In case of failure, refusal or inability of the bidder with the LCRB or HCRB to enter into contract and post the required performance security, the BAC shall disqualify the said bidder and shall initiate and complete the post-qualification process of the bidder with the second LCB or HCB. 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 avail of alternative method of negotiated procurement.
  3. In case of failure, refusal or inability of the bidder with the SCRB to enter into contract and post the required performance security, the BAC shall disqualify the said bidder, and shall declare the bidding a failure and conduct a rebidding with re-advertisement and posting. Should there occur another failure of bidding after the conduct of the contract rebidding, the Authority may avail of the alternative method of negotiated procurement.

**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, or if the collusion is between or among the bidders themselves,

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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; or
- c) For any justifiable and reasonable ground where the awarding of the CH contract will not redound to the benefit of the Authority.

**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 reglementary periods specified in this Order. The protest must be filed within seven (7) calendar 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 one percent (1%) of the total gross income from CH operations for the preceding year in the port subject of bidding as indicated in the bidding documents.

- b) The verified position paper shall contain the following information:
  - 1) Name of bidder;
  - 2) Office address of the bidder;
  - 3) Name of the port subject of bidding;
  - 4) Name of the contract;
  - 5) Issue(s) to be resolved; and
  - 6) 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.

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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. The Authority shall resolve the protest within seven (7) calendar days from receipt thereof.

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, however, that protests must first be resolved before any award is made.

e) Resort to Regular Courts

Court action may be resorted to only after the protests contemplated in this Order shall have been completed and resolved by the Authority with finality.

This Order shall take effect fifteen (15) calendar days from its publication in the Official Gazette or in a newspaper of general circulation and a copy filed with the University of the Philippines Law Center.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - April 17, 2009*

**Effectivity Date : May 1, 2009**

INVITATION TO APPLY FOR ELIGIBILITY AND TO BID



Port District Office of \_\_\_\_\_  
Address

**INVITATION TO APPLY FOR ELIGIBILITY AND TO BID**

**CARGO HANDLING SERVICES AT THE PORT OF \_\_\_\_\_**

1. The Philippine Ports Authority (PPA), through the PDO \_\_\_\_\_ - Bids and Awards Committee (BAC), invites potential bidders to submit Letters of Intent (LOI) and to apply for eligibility for the public bidding of the above mentioned cargo handling (CH) services. The CH services to be bid shall include arrastre services, stevedoring services and other related CH services **(other related CH services to be specified by the BAC)**. The Contract for the aforesaid CH services shall be for a period of \_\_\_\_\_ years.
2. Prospective bidders should have the paid-up capital, working capital, principal/key CH personnel, CH equipment and other minimum eligibility requirements stated in the Instructions to Prospective Bidders. The shipping companies shall not be eligible to participate in the said bidding, either as a sole bidder or as a member in a joint venture. However, individual stockholders of the shipping companies are allowed to be a member of a joint venture provided that the individual share holdings shall not exceed 5% nor the aggregate share holdings of all such stockholders shall exceed 10% of the total shares of the corporation that will be formed if it will be declared the winning bidder.
3. Interested prospective bidders must submit their Letters of Intent and Applications for Eligibility on or before **(date and time to be specified by the BAC)** \_\_\_\_\_ at the BAC office at the \_\_\_\_\_ **(address to be specified by the BAC)** and secure the Eligibility Documents therefrom upon payment of a non-refundable fee in the amount of \_\_\_\_\_ ( \_\_\_\_\_ ) (VAT-inclusive).
4. Applications for Eligibility shall be evaluated using a non-discretionary pass/fail criteria in accordance with PPA Administrative Order No. 01-2006, as amended by PPA AO \_\_\_\_\_, and is restricted to Filipino citizens or organizations with at least sixty percent (60%) interest or outstanding capital stock belonging to citizens of the Philippines. Only those who are determined by the BAC as "Eligible" will be entitled and allowed to purchase the Bidding Documents and submit the corresponding bids. The bidder with the [(Lowest Calculated Bid (LCB) or Highest Calculated Bid, depending on the basis for the award of CH contract)] shall advance to the post-qualification stage in order to finally determine its responsiveness as to eligibility and bidding requirements. The contract shall then be awarded to the Bidder with the [(Lowest Calculated and Responsive Bid (LCRB) or Highest Calculated and Responsive Bid (HCRB)] who was determined as such during the post-qualification process.
5. The schedule of bidding activities from the issuance of Eligibility Documents up to Opening of Bids is as follows:

Bidding Activities	Date	Time	Place
1. Issuance and Availability of Eligibility Documents	<b>(To be specified by the BAC)</b>		
2. Deadline for Submission of Eligibility Documents			

Bidding Activities	Date	Time	Place
3. Opening of Eligibility Documents	<b>(To be specified by the BAC)</b>		
4. Issuance and Availability of Bidding Documents			
5. Pre-Bid Conference			
6. Deadline for Submission of Bid Documents			
7. Bid Opening			

6. All bids must be accompanied by a bid security in any of the following forms and amounts:

Form of Bid Security	PHP _____ (Amount of Gross Income in the immediately preceding year from CH operations in the port subject of bidding)
Cash, certified check, cashier's check, bank draft or irrevocable letter of credit	1%
Bank Guarantee	1.5%
Surety Bond callable upon demand issued by the GSIS or other reputable surety or insurance company duly licensed by the office of the Insurance Commission	2.5%

7. Eligible Bidders may obtain further information and procure a complete set of Bidding Documents from the BAC Secretariat at \_\_\_\_\_ **(address & telephone number to be specified by the BAC)** upon presentation of the Notice of Eligibility and upon payment of a non-refundable fee of \_\_\_\_\_ (P \_\_\_\_\_) **(amount to be determined by the BAC)** in cash or manager's check.
8. The PPA assumes no responsibility whatsoever to compensate or indemnify bidders of any expenses incurred in the preparation of their eligibility statements and of their bids.
9. The PPA reserves the right to reject any and all bids, declare a failure of bidding at any time prior to the contract award, or not to award the contract, without thereby incurring any liability, and make no assurance that a contract shall be entered into as a result of the bidding.

Name and Signature of Chairperson



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ANNEX III - B

INSTRUCTIONS TO PROSPECTIVE BIDDERS

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## **INSTRUCTIONS TO PROSPECTIVE BIDDERS (ITPB)**

### **1. General Provisions**

- 1.1 Application for eligibility is open to all prospective bidders.
- 1.2 Interested prospective bidders wishing to qualify for eligibility should meet the eligibility requirements specified herein and should provide the required information set forth in these documents. Applications that do not provide the necessary information will not be considered.
- 1.3 Firms allowed to participate in the eligibility screening and in the bidding may either be a sole proprietorship, partnership, cooperative, corporation, or a joint venture (JV) duly registered with the appropriate government agency under the laws of the Philippines.
- 1.4 The shipping companies shall not be eligible to participate in the bidding, either as a sole bidder or as a member in a joint venture. However, individual stockholders of the shipping companies are allowed to be a member of a joint venture provided that the individual share holdings shall not exceed 5% nor the aggregate share holdings of all such stockholders shall exceed 10% of the total shares of the corporation that will be formed if it will be declared the winning bidder.

### **2 Eligibility Criteria**

- 2.1 The owner of the sole proprietorship must be a Filipino citizen, and must be registered with and authorized by the Department of Trade and Industry (DTI).
- 2.2 A partnership or corporation must be registered with the Securities and Exchange Commission (SEC) and that at least sixty percent (60%) of the interest or outstanding capital stock, as the case may be, must be owned by citizens of the Philippines.
- 2.3 A cooperative must be registered with and authorized by the Cooperative Development Authority (CDA).
- 2.4 A joint venture may be allowed to participate in the Eligibility screening and bidding subject to pertinent laws and provided that the Filipino ownership or interest thereof shall be at least sixty percent (60%). The JV shall be jointly and severally responsible for the obligations and the civil liabilities arising from the management and operations of the cargo handling (CH) services at the Port of \_\_\_\_\_.

A winning JV must be organized and duly registered with Securities and Exchange Commission as a corporation within thirty (30) calendar days from Notice of Award and is not allowed to reduce or change the equity composition or sharing of the constituent members.

- 2.5 In case of a foreign firm, the prospective bidder is required to submit evidence from his consulate/embassy that the firm is a bonafide business entity in his country. The foreign firm must enter into a JV with a Philippine firm. Once awarded the contract, the foreign firm shall combine its property, money, efforts, skills or knowledge with the Philippine firm, duly registered with the SEC as a new corporation or partnership, subject to the implementing rules and regulations of Republic Act No. 7042, as amended, otherwise known as the "Foreign Investments Act of 1991".

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2.6 Prospective bidders must have at least the following principal/key personnel with a minimum of five (5) years relevant work experience, to wit;

- a. General Manager
- b. Operations Manager
- c. Safety Officer
- d. Supervisor

2.7 Prospective bidders must have at least the following CH/safety equipment and gears with corresponding capacity:

- a.
- b.
- c. **(to be determined by the BAC)**
- d.
- e.

2.8 Prospective bidder's available paid-up capital/owner's equity for the contract (APCC/OE) must be at least equal to the paid-up capital/owner's equity required for the CH contract subject of bidding which is Php\_\_\_\_\_. **(The amount of paid-up capital shall be based on PPA AO 13-96, as amended.)** Formula: APCC/OE = paid-up capital/owner's equity per financial statements less paid-up capital required for all existing CH contracts and CH contracts awarded but not yet started.

Or, in lieu thereof, a commitment from a bank duly licensed by the Bangko Sentral Ng Pilipinas to extend to the prospective bidder a credit line if awarded the CH contract, the amount of which shall be at least equal to the paid-up capital or owner's equity required for the Ch contract to be bid.

2.9 Prospective bidders must have a working capital in the amount of Php **(to be determined by the BAC)** duly supported by corresponding bank deposit certificate. **(The amount of working capital shall be based on PPA AO 13-96, as amended.)**

### **3 Eligibility Documentary Requirements**

3.1 The eligibility documentary requirements listed hereunder shall be submitted to the BAC in the prescribed forms and in a sealed eligibility envelope marked as such. This eligibility envelope of prospective bidders shall be submitted on or before the deadline specified in the Invitation to Apply for Eligibility and to Bid (IAEB) for purposes of determining eligibility of prospective bidders.

3.2 The determination of eligibility shall be based on the submission of the following documents to the BAC utilizing the prescribed eligibility forms **(E Forms)** and using the non-discretionary "pass/fail" criteria for this purpose:

a) Legal Documents:

- 1) Letter of Intent (LOI) and Application for Eligibility **(E Form-01)**
- 2) Authority of signing official. **(E Form - 02)**
- 3) Articles of Incorporation/Partnership/Cooperation and By-Laws, whichever may be appropriate under existing laws of the Philippines. **(E Form - 03)**

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- 4) DTI, SEC and CDA Certificate of Registration, whichever may be appropriate under existing laws of the Philippines. **(E Form - 04)**
  - 5) Valid and current Mayor's Permit or Municipal License from the City or Municipality where the principal place of business is located. **(E Form - 05)**
  - 6) Taxpayer's Identification Number (TIN) Card. **(E Form -06)**
  - 7) Joint Venture Agreement in case of persons or entities forming themselves into a Joint Venture. **(E Form - 07)**
  - 8) Affidavit of the prospective bidder or duly authorized representative that it is not "blacklisted" or barred from bidding by the Government, or any of its agencies, offices, or corporations and has no CH contract terminated or cancelled for cause. **(E Form - 08)**
  - 9) Affidavit by the bidder or duly authorized representative that each document submitted in satisfaction of the eligibility requirements is an authentic and original copy or a true and faithful reproduction of the original and that all statements and information provided therein are true and correct. **(E Form - 09)**
  - 10) Affidavit of Disclosure of no relationship. **(E Form - 10)**
  - 11) Affidavit of the bidder or duly authorized representative of its compliance with existing labor laws and standards. **(E Form - 11)**
  - 12) Letter Authority to verify submitted documents. **(E Form - 12)**
  - 13) Other appropriate documents, clearances and licenses that may be required by the Authority.

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Technical Documents:

- 1) Business Profile of the Prospective Bidder **(E Form - 13)**
- 2) Curriculum Vitae (CV) of prospective bidder's principal/key personnel for CH operations namely: General Manager, Operations Manager, Safety Officer and Supervisor **(E Form - 14)**
- 3) Statement of prospective bidders of its ongoing, completed and awarded but not yet started CH contracts **(E Form - 15)**
- 4) The types and number of CH equipment that the prospective bidder owns, has under lease, and/or has under purchase agreements, if any **(E Form - 16)**
- 5) Copy of latest General Information Sheet (GIS) submitted to the SEC, if applicable **(E Form - 17)**

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. For new establishments, balance sheet and income statement, stamped "Received" by BIR or its duly accredited and authorized institutions for the most recent quarter **(E Form - 18)**
- 2) Income Tax Return (ITR) for the immediately preceding year duly filed and stamped "Received" by the BIR or proof of electronic filing of the same. For new establishments, which have no annual ITR, the most recent quarter's ITR duly filed and stamped "Received" by the BIR or proof of electronic filing thereof **(E Form -19)**
- 3) Value Added Tax (VAT) or Percentage Tax Return (PTR) covering the immediately preceding six (6) months duly filed and stamped "Received" by the BIR or proof of electronic filing of the same. For those with less than six (6) months of operations, the monthly business tax returns duly filed and stamped "Received" by the BIR or proof of electronic filing thereof **(E Form - 20)**

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- 4) Tax Clearance Certificate issued by the Collection Enforcement Division of the BIR. **(E Form - 21)**
  - 5) Certification from the PPA Head Office Treasury Department that the prospective bidder has no outstanding account. **(E Form - 22)**
  - 6) Prospective bidder's computation of its Available Paid Up Capital/owner's equity for the Contract. (APCC/OE) or bank credit line commitment. **(E Form - 23)**
  - 7) Prospective bidder's certification as to the amount of intended working capital for the CH operations duly supported with corresponding bank deposit certificate. **(E Form - 24)**

3.2 The determination of eligibility shall be based on the submission of the following documents to the BAC utilizing the prescribed eligibility forms **(E Forms)** and using the non-discretionary "pass/fail" criteria for this purpose:

3.3 All prospective bidders, including JV partners, must meet all the eligibility requirements. For this purpose, all the partners to a JV shall also submit their respective or individual eligibility requirements prescribed herein.

3.4 In case of a prospective foreign bidder, the eligibility requirements described in this section for local sole proprietorships, partnerships and corporations may be substituted with the appropriate equivalent documents issued by the prospective bidder's home country; provided such documents are duly acknowledged or authenticated by the appropriate Philippine consulate thereat.

#### **4 Format and Signing of Eligibility Documents**

4.1 Prospective bidders shall prepare an original of the Eligibility Documents as described in Section 3 hereof, book bound and clearly marked as "ORIGINAL-ELIGIBILITY DOCUMENTS". In addition, each prospective bidder shall submit seven (7) duplicate copies of the Eligibility Documents, book bound and clearly marked "COPY NO. \_\_\_" ELIGIBILITY DOCUMENTS. In the event of any discrepancy between the original and the copies, the original shall prevail.

4.2 The original and all copies of the Eligibility Documents shall be properly book-bound and chronologically paged. Properly book-bound means the Eligibility Documents are hard-bound, or cloth-bound, or paper-bound. Failure to comply with any of these requirements shall be a ground for rejection of the Eligibility Documents and disqualification of prospective bidder.

4.3 The original and the copies of the Eligibility Documents shall be typed or written in indelible ink and shall be signed by the prospective bidder or a person or persons duly authorized to bind the prospective bidder to the contract. All pages of the eligibility documents shall be initialed by the person duly authorized to sign the same. Failure to comply with any of these requirements shall be a ground for rejection of the Eligibility Documents and disqualification of the prospective bidder.

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- 4.4 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person authorized to sign the eligibility of documents.

## **5 Sealing and Marking of Eligibility Documents**

- 5.1 Prospective bidders shall enclose the original documents described in Section 3 hereof, sealed in an envelope marked "ORIGINAL - ELIGIBILITY DOCUMENTS". Each copy of the eligibility documents shall be similarly sealed and the inner envelopes marked as "COPY NO. \_\_\_-ELIGIBILITY DOCUMENTS". All these envelopes containing the original and duplicate copies shall then be enclosed further in one single envelope or package.
- 5.2 All envelopes shall:
- a) Contain the name of the CH contract to be bid in capital letters;
  - b) Bear the name and address of the prospective bidder in capital letters;
  - c) Be addressed to the BAC;
  - d) Bear the specific identification of this CH bidding indicated in the IAEB; and
  - e) Bear a warning "DO NOT OPEN BEFORE....." the date and time for the opening of eligibility documents indicated in the IAEB.

## **6 Deadline for Submission**

Eligibility Documents must be received by the BAC at the address and on or before the date and time indicated in the IAEB.

## **7 Late Submission**

Eligibility Documents submitted after the deadline for submission and receipt of Eligibility Documents prescribed by the BAC, pursuant to Section 6 hereof, shall be declared "Late" and shall not be accepted by the BAC.

## **8 Modification and Withdrawal**

- 8.1 The prospective bidder may modify its eligibility documents after it has been submitted, provided that the modification is received by the BAC prior to the deadline prescribed for submission and receipt of Eligibility Documents. The prospective bidder shall not be allowed to retrieve its original eligibility documents, but shall be allowed to submit another set equally sealed, properly identified, linked to its original eligibility documents marked as "MODIFICATION" and stamped "Received" by the BAC. Eligibility documents modification received after the applicable deadline shall not be considered and shall be returned to the prospective bidder unopened.
- 8.2 A prospective bidder may, through a Letter of Withdrawal, withdraw its eligibility documents after it has been submitted, for a valid and justifiable reason, provided that the Letter of Withdrawal is received by the BAC prior to the deadline prescribed for submission and receipt of eligibility documents. Eligibility documents requested to be withdrawn shall be returned unopened to the prospective bidders. A prospective bidder that withdraws its eligibility documents shall not be permitted to submit another set of eligibility documents, directly or indirectly, for the same contract.

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## **9 Submission of Eligibility Application**

9.1 It shall be addressed and delivered to:

**Chairperson  
Bids and Awards Committee  
PDO \_\_\_\_\_  
Philippine Ports Authority  
(address)  
(E-mail Address)  
(Telephone No.)  
(Fax No.)**

9.2 At its discretion, the BAC may extend the deadline for submission of Applications for Eligibility by issuing an Addendum not later than three (3) days before the latest deadline for submission, in which case all rights and obligations of the prospective bidders previously subjected to the original deadline will thereafter be subject to the amended deadline.

## **10 Opening and Preliminary Examination of Eligibility Documents**

10.1 The BAC will open the envelopes containing the eligibility documents in the presence of the prospective bidders' representatives on the date, time and at the place specified in the IAEB. The respective prospective bidders' representatives who are present shall register their attendance.

10.2 Any Letter of Withdrawal shall be read out and recorded during the opening of eligibility documents and the envelope containing the corresponding withdrawn eligibility documents shall be returned to the withdrawing prospective bidder unopened. If the withdrawing prospective bidder's representative is present during the opening, the original eligibility documents and all copies thereof shall be returned to the representative during the opening of eligibility documents. If no representative is present, the eligibility documents shall be returned unopened by registered mail.

10.3 The eligibility documents envelopes and modifications, if any, shall be opened one at a time, and the following read out and recorded:

- a) The name of the prospective bidder;
- b) Whether there is a modification or substitution; and
- c) The presence or absence of each document comprising the eligibility documents vis-a-vis a checklist of the required documents.

10.4 The eligibility of each prospective bidder shall be determined by examining the completeness of each prospective bidder's eligibility requirements or statements against a checklist of requirements, using a non-discretionary "pass/fail" criteria, as stated in the IAEB and this ITPB, and shall be determined as either "eligible" or "ineligible". If a prospective bidder submits the specific eligibility document required, he 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.



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If a prospective bidder is rated "passed" for all the eligibility requirements, he shall be considered eligible to participate in the bidding, and the BAC shall mark the set of eligibility documents of the prospective bidder concerned as "eligible". If a prospective bidder is rated "failed" in any of the eligibility requirements, he 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 BAC Chairperson or his duly designated authority shall countersign the markings.

- 10.5 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 of the grounds for its ineligibility. A prospective bidder determined as "ineligible" has three (3) calendar days upon written notice or, if present at the time of the opening of eligibility documents, 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 the fault of the prospective bidder concerned: Provided, further, that the BAC shall decide on the request for reconsideration within seven (7) calendar days from the receipt thereof. If a failed prospective bidder signifies his intent to file a request for reconsideration, in the case of a prospective bidder who is declared ineligible, the BAC shall hold the eligibility documents until such time that the request for reconsideration or protest has been resolved.
- 10.6 The BAC may request the prospective bidders to clarify its eligibility documents, if it is deemed necessary.
- 10.7 The prospective bidder shall submit the clarification for its eligibility documents within seven (7) calendar days after receiving the written notice or verbal notification at the time of opening of eligibility requirements. Failure to submit such clarification on the required time, the prospective bidder will be evaluated as ineligible to participate in the bid.
- 10.8 The BAC shall cause the preparation of the minutes of the proceedings of the opening of eligibility documents that shall include, as a minimum: a) names of prospective bidders and findings of eligibility; and b) attendance sheet.

The minutes of the proceedings of the opening of eligibility documents shall be available to the public upon written request and payment of a specified fee to recover cost of materials and production.

- 10.9 Notwithstanding the eligibility of a prospective bidder, BAC reserves the right to reject 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.

LETTER OF INTENT AND APPLICATION FOR ELIGIBILITY

Date

Name of the Chairperson  
Bids and Awards Committee (BAC)  
Philippine Ports Authority  
Port District Office of \_\_\_\_\_  
Address

Dear Sir:

In response to the "Invitation to Apply for Eligibility and to Bid" for the management and operations of cargo handling services at the port of \_\_\_\_\_ (**address**) \_\_\_\_\_, which appeared in the \_\_\_\_\_ (**name of newspaper, G-EPS or PPA website**) on \_\_\_\_\_ (**date of advertisement/posting**) \_\_\_\_\_, we would like to express our intention to apply for eligibility and 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 therefor.

In this regard, we would like to purchase the set of eligibility forms for the said bidding.

Very truly yours,

\_\_\_\_\_

*(Name of Firm)*

By:

\_\_\_\_\_  
*(Name and signature of duly authorized representative)*

Received by the BAC

Date: \_\_\_\_\_

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } S.S

**AUTHORITY OF SIGNING OFFICIAL**

I, \_\_\_\_\_ (Name of authorized signing official) \_\_\_\_\_, of legal age, Filipino, single/married, and residing at \_\_\_\_\_ (Postal address) \_\_\_\_\_ after having been duly sworn to in accordance with law, hereby depose and say:

1. That I am the \_\_\_\_\_ (Position) \_\_\_\_\_ of \_\_\_\_\_ (Name of firm or entity) \_\_\_\_\_ an entity engaged in \_\_\_\_\_ (Nature of business) \_\_\_\_\_ with principal office address at \_\_\_\_\_ (Postal address) \_\_\_\_\_;
2. That I am the only official duly authorized to sign any or all eligibility and bidding documents, to submit bids and to enter into contract for the management and operations of cargo handling services at the Port of \_\_\_\_\_ for and in behalf of the abovementioned firm; and
3. That I am executing this affidavit to attest to the truth of the foregoing facts and as part of the bidding requirements for the aforementioned contract.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_\_ at \_\_\_\_\_, Philippines.

\_\_\_\_\_  
(Affiant's signature over printed name)

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_\_, affiant exhibiting to me his/her Community Tax Certificate No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_, Philippines.

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.

NOTARY PUBLIC

**Note: A Special Power of Attorney must be executed and attached in case the Authorized Signing Official is not the owner-proprietor. In case the applicant is a corporation, partnership, cooperative or joint venture, a resolution of the Board or majority of partner or member, as the case may be, granting authority to the Signing Official must be attached hereof.**

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E Form - 03

**COPY OF ARTICLES OF  
INCORPORATION/PARTNERSHIP/COOPERATION AND BY-LAWS,  
WHICHEVER MAY BE APPROPRIATE UNDER EXISTING LAWS OF  
THE PHILIPPINES**

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E Form - 04

**COPY OF DEPARTMENT OF TRADE AND INDUSTRY (DTI),  
SECURITIES AND EXCHANGE COMMISSION (SEC), OR  
COOPERATIVE DEVELOPMENT AUTHORITY (CDA)  
CERTIFICATE OF REGISTRATION, WHICHEVER MAY BE  
APPROPRIATE UNDER EXISTING LAWS OF THE  
PHILIPPINES**

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E Form - 05

**COPY OF VALID AND CURRENT MAYOR'S PERMIT  
OR MUNICIPAL LICENSE FROM THE CITY OR MUNICIPALITY  
WHERE THE PRINCIPAL PLACE OF BUSINESS IS  
LOCATED**

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E Form - 06

**COPY OF TAXPAYER'S IDENTIFICATION NUMBER  
(TIN) CARD**

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E Form - 07

**COPY OF JOINT VENTURE AGREEMENT IN CASE OF  
PERSONS OR ENTITIES FORMING THEMSELVES INTO A  
JOINT VENTURE (IF APPLICABLE)**

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } S.S

**AFFIDAVIT OF NON-INCLUSION IN THE BLACKLIST**

I, \_\_\_\_\_ (Name of authorized signing official), of legal age, Filipino, single/married, and residing at \_\_\_\_\_ (Postal address) \_\_\_\_\_ after having been duly sworn to in accordance with law, hereby despose and say:

1. That I am the \_\_\_\_\_ (Position) of \_\_\_\_\_ (Name of firm or entity) engaged in \_\_\_\_\_ (Nature of business) with principal office address at \_\_\_\_\_ (Postal address) \_\_\_\_\_;
2. That the aforesaid firm, which I am representing and intends to participate in the bidding of the contract for the management and operations of cargo handling (CH) services at the Port of \_\_\_\_\_, is not blacklisted or barred from bidding by the government, or any of its agencies, offices, or corporations and has no CH contract terminated or cancelled for cause.
3. That I am executing this affidavit to attest to the truth of the foregoing facts and as part of the bidding requirements for the aforementioned contract.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_ at \_\_\_\_\_, Philippines.

\_\_\_\_\_  
(Affiant's signature over printed name)

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_, affiant exhibiting to me his/her Community Tax Certificate No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_, Philippines.

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.

NOTARY PUBLIC

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } S.S

**AFFIDAVIT OF AUTHENTICITY**

I, \_\_\_\_\_ (Name of authorized signing official), of legal age, Filipino, single/married, and residing at \_\_\_\_\_ (Postal address) \_\_\_\_\_ after having been duly sworn to in accordance with law, hereby despose and say:

1. That I am the \_\_\_\_\_ (Position) of \_\_\_\_\_ (Name of firm or entity) engaged in \_\_\_\_\_ (Nature of business) with principal office address at \_\_\_\_\_ (Postal address) \_\_\_\_\_;
2. That each of the eligibility documents submitted for the bidding of the management and operations of the contract for cargo handling services at the Port of \_\_\_\_\_ is an authentic and original copy or a true and faithful reproduction of the original, and that all statements and information provided therein are true and correct;
3. That I am executing this affidavit to attest to the truth of the foregoing facts and as part of the bidding requirements for the aforementioned contract.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_ at \_\_\_\_\_, Philippines.

\_\_\_\_\_  
(Affiant's signature over printed name)

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_, affiant exhibiting to me his/her Community Tax Certificate No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_, Philippines.

NOTARY PUBLIC

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } S.S

**AFFIDAVIT OF DISCLOSURE OF NO RELATIONSHIP**

I, \_\_\_\_\_ (Name of authorized signing official), of legal age, Filipino, single/married, and residing at \_\_\_\_\_ (Postal address), after having been duly sworn to in accordance with law, hereby despose and say:

1. That I am the \_\_\_\_\_ (Position) of the \_\_\_\_\_ (Name of firm or entity) engaged in the business of \_\_\_\_\_ (Nature of business) with principal office address at \_\_\_\_\_ (Postal address) \_\_\_\_\_;
2. That I or any of the employees, officers, directors, or controlling stockholders of the firm that I am representing is not related by consanguinity or affinity within the third civil degree to the PPA General Manager, the members of BAC, TWG, Secretariat, or any officials or employees of the Philippine Ports Authority (PPA) having direct access to information that may substantially affect the result of the bidding of the contract for the management and operations of cargo handling services at the Port of \_\_\_\_\_; and
3. That I am executing this affidavit to attest to the truth of the foregoing facts and as part of the bidding requirements for the aforementioned contract.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_ at \_\_\_\_\_, Philippines.

\_\_\_\_\_  
(Affiant's signature over printed name)

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_, affiant exhibiting to me his/her Community Tax Certificate No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_, Philippines.

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.

NOTARY PUBLIC

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } S.S

**AFFIDAVIT OF COMPLIANCE WITH EXISTING LABOR LAWS AND STANDARDS**

I, \_\_\_\_\_ (Name of authorized signing official), of legal age, with residence and address at \_\_\_\_\_ (Postal address), after having been duly sworn to in accordance with law, hereby despose and say:

1. That I am the \_\_\_\_\_ (Position/Title) of \_\_\_\_\_ (Name of Company), or entity engaged in the business of \_\_\_\_\_ (Nature of business) with principal office and business at \_\_\_\_\_ (Postal address) \_\_\_\_\_;
2. That our firm shall abide with the existing labor laws and standards, rules and regulations of the Department of Labor and Employment (DOLE) in connection with the implementation of the contract for the management and operations of CH services
3. That if our firm violates any rules and regulations as prescribed for by DOLE, I/We will accept sanctions that may be imposed on our firm.

IN WITNESS WHEREOF, I have hereunto affixed my signature this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_\_ at \_\_\_\_\_, Philippines.

\_\_\_\_\_  
(Affiant's signature over printed name)

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_\_, in \_\_\_\_\_, Philippines affiant exhibiting to me his/her Community Tax Certificate No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_,

NOTARY PUBLIC

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.



**LETTER OF AUTHORITY TO VALIDATE SUBMITTED DOCUMENTS**

Date

Name of the Chairperson  
Bids and Awards Committee (BAC)  
Philippine Ports Authority  
Port District Office of \_\_\_\_\_  
Address

Dear Sir:

Reference is made to our Application for Eligibility and to Bid on the contract for the management and operation of cargo handling services at the Port of \_\_\_\_\_.

In accordance with PPA Administrative Order No. 01-2006, as amended by PPA Administrative Order No. \_\_\_\_\_, I/We hereby authorize the Port District Office of \_\_\_\_\_ or its authorized representative(s) to verify the statements, documents and information submitted herewith to substantiate our eligibility.

The following persons, including telephone/fax numbers may be contacted to provide further information with regard to this application:

	NAME	TEL. NUMBER	FAX NUMBER
a. Technical Matter	_____	_____	_____
b. Financial Matters	_____	_____	_____
c. Personnel Matters	_____	_____	_____

Very truly yours,

\_\_\_\_\_  
*(Name of Firm)*

By:

\_\_\_\_\_  
*(Name and Signature of Authorized Signing Official)*

**BUSINESS PROFILE OF THE PROSPECTIVE BIDDER**

## I. GENERAL INFORMATION

Name of Company:

Tax Account No.:

Address:

Tel. No.:

Fax No.:

Email Address:

Form of Organization:

## Officers

Name	Nationality	Position

## Board of Directors

Name	Nationality

Stockholders or Shareholders owning at least five percent (5%) of the company's interest or outstanding capital stock

Name	Nationality	Percentage Share

## Principal/Key Personnel for CH operations

Name	Nationality	Position	No. of yrs. Occupying the position
General Manager			
Operations Manager			
Safety Officer			
Supervisor			

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Person Managing the Company:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Tel/Cellphone No.: \_\_\_\_\_

II. LEGAL INFORMATION

Palce of Incorporation/ Registration: \_\_\_\_\_

Year of incorporation / registration: \_\_\_\_\_

DTI Registration: \_\_\_\_\_

SEC Registration: \_\_\_\_\_

III. FINANCIAL INFORMATION:

(for the last three (3) years)

Year	Total Assets	Current Assets	Total Liabilities	Current Liabilities	Networth

IV. CH OR PORT RELATED SERVICE CONTRACTS AND PERMITS:

(for the last five (5) years or such period prescribed by the BAC)

Area of Operation	Date Issued	Date Expired	Average Annual Gross Income	Government Share Paid to PPA

V. AWARDS, CITATIONS and RECOGNITIONS (relevant to port and related services)

Attach certified true copies of awards, citations and recognitions received by the company, as applicable.

VI. OTHER RELEVANT INFORMATION

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Name and Signature of Authorized Signing Official)

Date: \_\_\_\_\_

**Note: Please use additional separate sheet if necessary.**

**CURRICULUM VITAE (CV) OF PROSPECTIVE BIDDER'S  
PRINCIPAL/KEY PERSONNEL FOR CH OPERATIONS  
(FOR GENERAL MANAGER, OPERATIONS MANAGER, SAFETY  
OFFICER & SUPERVISOR)**

NAME (LAST, FIRST, MIDDLE)	STATUS:	SEX:	1x1" ID PHOTO
RESIDENCE ADDRESS:	BIRTHDATE:	AGE:	
	BIRTHPLACE:		

HIGHEST EDUCATIONAL ATTAINMENT

NAME OF SCHOOL	ADDRESS	DEGREE/COURSE	YR. GRADUATED

CH OR PORT RELATED WORK EXPERIENCE

INCLUSIVE DATES	POSITION	NAME OF COMPANY, ADDRESS

CH OR PORT RELATED TRAININGS UNDERTAKEN

TITLE AND DESCRIPTION	CONDUCTED BY	INCLUSIVE DATES	NO. OF HOURS

**NAME AND SIGNATURE**

It is hereby certified that the above personnel will be assigned for the CH operations at the Port of \_\_\_\_\_ if the CH contract thereat is awarded to our firm.

\_\_\_\_\_ *(Name of Firm)*

By:

\_\_\_\_\_ *(Name and Signature of Authorized Signing Official)*

Date: \_\_\_\_\_

**STATEMENT OF COMPLETED, ONGOING, AND AWARDED CH CONTRACTS**

Title of the CH Contract and Name of Party Contracted With	Location of Port	Type of Cargo Handling Service	Contract Term (no. of years)	Effectivity and Expiry Dates of the Contract	Annual Average Throughput (Metric Tons, TEUs, or Units)	Paid up Capital Required
COMPLETED (for the last five (5) yrs. or period as prescribed by the BAC)						
1.						
2.						
3.						
4.						
5.						
ONGOING						
1.						
2.						
3.						
4.						
5.						
AWARDED						
1.						
2.						
3.						
4.						
5.						

AWARDED BUT NOT YET STARTED									
1.									
2.									
3.									
4.									
5.									

Notes:  
This statement shall be supported with:

1. Copy of Notice of Award
2. Copy of CH Contract
3. Certification from the Government or Private Port Owner Concerned as to the annual volume of cargoes handled

Please use additional sheet if necessary. }  
(Name of Firm) \_\_\_\_\_

By: \_\_\_\_\_  
(Name and Signature of Authorized Signing Official)

Date: \_\_\_\_\_

**CARGO HANDLING EQUIPMENT AND GEARS OF THE  
PROSPECTIVE BIDDER**

Type of CH Equipment and Gears/Capacity	Number of Unit	Owned/Under Lease/Purchase Agreements	Date of Purchase / Lease / Agreement
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

Notes:

1. Should provide information on equipment purchase commitments for newly awarded CH Contract.
2. Add lines or pages as needed.
3. Attach supporting information
4. Use additional sheet(s) as necessary.

\_\_\_\_\_ (Name of Firm)

By:

\_\_\_\_\_ (Name and Signature of Authorized Signing Official)

Date : \_\_\_\_\_

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E Form - 17

**COPY OF LATEST GENERAL INFORMATION SHEET (GIS)  
SUBMITTED TO THE SECURITIES AND EXCHANGE  
COMMISSION (SEC), IF APPLICABLE**

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E Form - 18

**COPY OF 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. FOR NEW  
ESTABLISHMENTS, COPY OF BALANCE SHEET AND  
INCOME STATEMENT, STAMPED "RECEIVED" BY THE BIR  
OR ITS DULY ACCREDITED AND AUTHORIZED  
INSTITUTIONS FOR THE MOST RECENT QUARTER**

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E Form - 19

**COPY OF INCOME TAX RETURN (ITR) FOR THE  
IMMEDIATELY PRECEDING YEAR DULY FILED AND  
STAMPED "RECEIVED" BY THE BIR OR PROOF OF  
ELECTRONIC FILING OF THE SAME. FOR NEW  
ESTABLISHMENTS WHICH HAVE NO ANNUAL ITR,  
COPY OF THE MOST RECENT QUARTERLY ITR DULY  
FILED AND STAMPED "RECEIVED" BY THE BIR OR  
PROOF OF ELECTRONIC FILING THEREOF**

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E Form - 20

**COPY OF VALUE ADDED TAX (VAT) OR PERCENTAGE  
TAX RETURN (PTR) COVERING THE IMMEDIATELY  
PRECEDING SIX (6) MONTHS DULY FILED AND  
STAMPED "RECEIVED" BY THE BIR OR PROOF OF  
ELECTRONIC FILING OF THE SAME. FOR THOSE WITH  
LESS THAN SIX (6) MONTHS OF OPERATIONS, COPY  
OF THE MONTHLY BUSINESS TAX RETURNS DULY  
FILED AND STAMPED "RECEIVED" BY THE BIR OR  
PROOF OF ELECTRONIC FILING THEREOF**

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E Form - 21

**COPY OF TAX CLEARANCE CERTIFICATE ISSUED BY THE  
COLLECTION ENFORCEMENT DIVISION OF THE BUREAU OF  
INTERNAL REVENUE (BIR)**

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E Form - 22

**CERTIFICATION FROM THE PPA HEAD OFFICE TREASURY  
DEPARTMENT THAT THE PROSPECTIVE BIDDER HAS NO  
OUTSTANDING ACCOUNT**



**COMPUTATION OF AVAILABLE PAID UP OF CAPITAL/OWNER'S  
EQUITY FOR THE CONTRACT (APCC/OE)**

The APCC/OE shall be at least equal to the paid up capital/owner's equity required for the CH contract subject of bidding.

FORMULA:

APCC/OE = Paid Up Capital/Owner's Equity per financial statements less paid up capital required for all existing CH contracts and CH contracts awarded but not yet started.

(Name of Prospective Bidder) APCC is PhP \_\_\_\_\_.

**OR COPY OF THE BANK CREDIT LINE COMMITMENT THE AMOUNT OF WHICH SHALL BE AT LEAST EQUAL TO THE APCC/OE REQUIRED FOR THE CH CONTRACT TO BE BID.**

\_\_\_\_\_  
(Name and Signature of Authorized Signing Official)

Date : \_\_\_\_\_

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**INTENDED WORKING CAPITAL FOR CARGO HANDLING  
OPERATIONS**

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

This is to certify that the (Name of the company) commits to provide and maintain a working capital in the amount of PhP \_\_\_\_\_ for the management and operations of CH services at the Port of \_\_\_\_\_.

Attached is the bank deposit certificate issued by (Name of Bank) in support thereof.

Issued this \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_.

\_\_\_\_\_  
(Name and Signature of Authorized Signing Official)

INSTRUCTIONS TO BIDDERS

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**INSTRUCTIONS TO BIDDERS  
PART I:**

**1. Scope of Bid**

- 1.1 The scope of this bid is the managements and operations of the CH services at the Port of \_\_\_\_\_ particularly defined and delineated in the Port Layout Plan hereto attached as Annex "A".
- 1.2 The successful bidder, hereinafter referred to as the "**CH Operator**", is allowed to offer and provide the services as mentioned hereunder, and to charge port users for the services rendered in accordance with the (CH rates specified in the bid or the CH rates prescribed by the Authority).  
**(Note: The BAC should indicate only the applicable CH rates)**
- 1.3 The services to be provided include arrastre, stevedoring and other related services as provided for in Section 3 of the Terms of Reference (TOR).

**2. Corrupt, Fraudulent and Coercive Practices**

- 2.1 The Authority and the bidders shall observe the highest standard of ethics during the bidding and execution of the CH contract. 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;
  - (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; and
  - (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) Will 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 it, at any time, determines that the firm has engaged in corrupt or fraudulent practices in competing or, in executing, a contract.

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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.

2.3 Furthermore, the **AUTHORITY** reserves the right to inspect and audit records and accounts of the bidders in the bidding for and performance of the CH contract.

### 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 PPA General Manager, the District Manager, the Port Manager or any member of the BAC, members of the TWG or BAC Secretariat, by consanguinity or affinity up to the third civil degree. This provision shall apply to the following persons:

- a. If the bidder is an individual or a sole proprietorship, to the bidder himself;
- b. If the bidder is a partnership or cooperative, to all its officers and members;
- c. If the bidder is a corporation, to all its officers, directors, and controlling stockholders; and
- d. If the bidder is a joint venture (JV), the provisions of items (a), (b), or (c) of this Clause shall correspondingly apply to each of the members of the said JV, as may be appropriate.

Failure to comply with this requirement shall be a ground for the automatic disqualification of the bidder.

### 4. Eligible Bidders

4.1 Only bidders who have been determined as eligible by the BAC, may participate in the bidding for the management and operations of the CH Services at the **Port of** \_\_\_\_\_.

### 5. One Bid Per Bidder

5.1 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 rejected. This shall be without prejudice to any applicable criminal, civil and administrative penalties that may be imposed upon the persons and entities concerned.

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## 6. Familiarity with, Examination and Acceptance of the Provisions of Bid Documents

Each bidder shall thoroughly examine and be familiar with the requirements of all the bidding documents, including but not limited to, Eligibility Documents, Instructions to Prospective Bidders, Instruction to Bidders, Terms of Reference, Bid Forms, and Pro-forma CH Contracts. The submission of bid shall constitute an acknowledgment that the bidder has thoroughly examined, is familiar with, and unconditionally accepts the provisions of the bidding documents. Failure or neglect of a bidder to receive or examine any of the bidding documents shall, in no way, relieve him from any obligation with respect to his bid or to the CH contract.

## 7. Site Inspection

- 7.1 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** of \_\_\_\_\_ and its surroundings in order to obtain for itself, on its own responsibility, all information that may be necessary for the correctness and sufficiency of its bid. The cost of visiting the site shall be at the bidder's own expense. An affidavit and certificate of site inspection shall be required from the eligible bidder.
- 7.2 The bidder or his official representative will be granted permission by the **AUTHORITY** to enter the **Port** of \_\_\_\_\_ for the purpose of such inspection, upon request; provided that the bidder and its personnel and agents will release and indemnify the **AUTHORITY** from and against all liabilities with respect to personal injury, loss or damage to property and any other losses, damages, costs and expenses incurred as a result of the inspection. The site inspection may be conducted by bidder before the date of the Pre-Bid Conference.
- 7.3 If after inspection, the bidder encountered facts or conditions which appear to be in conflict with any provision of the bidding documents or any other data provided relative to the bidding, clarification may be made with the BAC before submission of the bid.

## 8. Pre-Bid Conference

- 8.1 The purpose of the Pre-Bid Conference is to clarify any outstanding issue and answer any query that may be raised on matters relating to the bid.
- 8.2 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, including queries raised and the replies to the queries shall be recorded and made available to all bidders not later than three (3) calendar days after the Pre-Bid Conference.
- 8.3 The bidder or his authorized representative is invited to a Pre-Bid Conference, the venue, time and date as indicated in the Invitation to Apply for Eligibility and to Bid (IAEB). Non-attendance at the Pre-Bid Conference shall not be a ground for disqualification of a bidder.
- 8.4 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.

## 9. Content of the Bidding and Contract Documents

- 9.1 The Bidding Documents, which consist of the following and shall be read in conjunction with any amendment that may be issued in accordance with Section 10 hereof, shall become part of the Contract Documents.

- 
- 
- Part 1: Instructions to Bidders**
  - Part 2: Terms of Reference**
  - Part 3: Technical Bid**
  - Part 4: Financial Bid**
  - Part 5: Pro-forma CH Contract**

9.2 The **AUTHORITY** will only accept bids from eligible bidders that have purchased the bidding documents from the office indicated in the IAEB.

#### **10. Clarification and Amendments of Bidding Documents**

10.1 Bidders may request for clarifications(s) or interpretation on any part of the bidding documents. Such request 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. The BAC shall respond to the said 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. It shall be the responsibility of all those who have properly secured the bidding documents to inquire and secure Supplemental/Bid Bulletin that may be issued by the BAC.

10.2 Supplemental/Bid Bulletin 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** and the G-EPS 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. The Supplemental/Bid Bulletin issued shall become part of the Bidding and Contract Documents.

10.3 The Supplemental/Bid Bulletin shall be posted in the Port District Office of \_\_\_\_\_, Port Management Office of \_\_\_\_\_ and the G-EPS and the **AUTHORITY**'s website.

#### **11. Cost of Bidding**

11.1 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.

#### **12. Bidders Responsibilities and Disclaimer**

12.1 Bidders shall be responsible for having taken steps to carefully examine all the bidding documents. Failure to do so shall be at the bidder's risk.

12.2 It shall be the sole responsibility of the bidder to determine and to satisfy himself by such means as necessary or desirable as to all matters pertaining to the CH services, the location of the **Port**, the climatic conditions of the area, the availability of labor, transportation and communications and other factors that may affect the bid.

12.3 Prior to the submission of bids, the bidders are expected to be familiar with all the applicable existing laws, decrees, ordinances, rules and regulations thereof.

12.4 The **AUTHORITY** shall not assume any responsibility regarding erroneous interpretations or conclusions by the bidder out of the information and data furnished by the **AUTHORITY**.

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12.5 The bidder shall bear all costs associated with the preparation and submission of the bid. The **AUTHORITY** assumes no obligation whatsoever to compensate or indemnify the bidders for any expenses or loss that they may incur in the preparation of their bids nor does the **AUTHORITY** guarantee that an award will be made.

### 13. **Updating of Eligibility Information**

The information submitted during the eligibility stage shall be updated to reflect the current status of the bidder. A bid shall be considered as non-responsive if the bidder's current status would no longer meet the requirements.

### 14. **Documents Comprising the Bid**

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 bid and the second envelope the financial bid.

#### 14.1 **Technical Bid**

The **Technical Bid (First Envelope)** shall contain the following information and supporting documents:

- a) Submission Form (TB Form 1);
- b) Authority of signing official (TB Form 2);
- c) Bid security as to form, amount and validity period (TB Form 3);
- d) Certificate of Site Inspection issued by duly authorized official of PMO concerned (TB Form 4);
- e) Affidavit of Site Inspection of the port executed by the bidder or authorized representative (TB Form 5);
- f) Affidavit of Compliance on Bidder's Responsibilities (TB Form 6);
- g) Organizational Chart for the CH contract to be bid (TB Form 7);
- h) Business Plan with all its components, as provided for in Article II, Section 17 (b) (5) of PPA Administrative Order No. 01-2006, as amended, and each component shall include the prescribed minimum requirements thereof, if any (TB Form 8); and
- i) List of principal/key CH personnel for deployment at the start of operations which should include the four (4) principal/key personnel Committed in the Eligibility Documents. (TB Form 9)

#### 14.2 **Financial Bid**

The **Financial Bid (Second Envelope)** shall contain the following information and supporting documents:

- a. Financial Bid Submission Form (FB Form 1);

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b.

- **For Ports With Manual CH Operations** - the proposed CH tariff to be charged to the shippers or port users for the CH services rendered in the port which shall be lower by a certain percentage than the existing approved CH tariff. The said percentage shall be invariably applied to all tariff items, except on Ro-Ro Cargo subject to the Ro-Ro Tariff or Terminal Fee which shall have the same rates as prescribed under existing PPA regulations. In case where the existing CH tariff is unreasonably low as determined by the PMO concerned and confirmed as such by the Commercial Services Department (CSD), the CSD shall prescribe the corresponding CH tariff which shall be the basis of the CH tariff to be proposed by the bidder.

However, the proposed CH tariff shall not be lower than ("Floor" to be prescribed by the BAC) (FB Form 2).

- OR -

- **For Ports with Mechanized CH Operations** - the committed government share on the gross income from CH Operations for the duration of the contract which shall be at the rate of not less than 10% of the gross income from domestic CH operations and 20% of the gross income from foreign CH operations but in no case shall the said percentages exceed ("ceiling" to be prescribed by the BAC) (FB Form 2).

**(NOTE: The BAC should indicate in the ITB only the applicable Financial Bid)**

The Financial Bid which does not comply with the requirements thereof is considered non-complying and shall be rejected.

## **15. Validity Period**

- 15.1 The bid shall remain valid for a period of one hundred twenty (120) days after the date of bid opening.
- 15.2 In exceptional cases, prior to expiry of the original validity period of the bid, the **AUTHORITY** may request the bidders to extend the validity period thereof.

## **16. Bid Security**

- 16.1 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 CH contract with the Authority.
- 16.2 The bid security shall be in the amount at least equal to, and not lower than, a percentage of the total gross income from CH operations at the subject port in the immediately preceding year based on the record of the Authority in any of the following forms:
- i. Cash, certified check, cashier's check, manager's check, bank draft/guarantee confirmed by a reputable local bank;
  - ii. Irrevocable letter of credit issued by a reputable commercial bank or in the case of an irrevocable letter of credit issued by a foreign bank, the same shall be confirmed or authenticated by a reputable local bank;



- iii. Surety bond, callable upon demand, issued by the Government Service Insurance System (GSIS) or other reputable surety or insurance company duly licensed by the Office of the Insurance Commission; or
- iv. Any combination thereof.

The required amount of the above forms as bid security shall be in accordance with the following schedule:

FORM OF BID SECURITY	P _____ (TOTAL GROSS INCOME FROM CH OPERATIONS OF THE PORT FOR THE IMMEDIATELY PRECEDING YEAR)
Cash, certified check, cashier's check, manager's check, bank draft or irrevocable letter of credit	One percent (1%)
Bank Guarantee	One and a half percent (1 ½%)
Surety Bond	Two and a half percent (2 ½%)

The required bid security based on the above schedule shall be the minimum amount thereof and shall be stated in Philippine Peso in the bidding documents.

- 16.3 No bid securities shall be returned to the bidder after the opening of bids and before contract signing, except to those that (i) failed to comply with any of the requirements to be submitted in the first bid envelope (Technical Bid) of the bid, or (ii) were post-disqualified and submitted a written waiver of its right to file a motion for reconsideration and/or protest in accordance with the pertinent provisions hereof. Without prejudice to the provisions on the forfeiture of bid securities, bid securities shall be returned only after the winning bidder has signed the CH contract and furnished the performance security, but in no case later than the expiration of the bid security validity period.
- 16.4 Failure to enclose the bid security with the **First Envelope** of the bid or the posting of a bid security less than the stipulated amount shall be a ground for outright rejection of the bid.
- 16.5 The bid security of the successful bidder will be discharged when he has signed the CH contract and furnished the required performance security.
- 16.6 The bid security may be forfeited:
  - a) if the bidder withdraws the bid after the bid opening during the period of bid validity; or
  - b) in the case of a successful bidder, if such bidder fails within the specified time limit to sign the CH contract or furnish the required performance security.

**17. Format and Signing of Bid**

- 17.1 The bidder shall submit one (1) original of the Technical Bid and one (1) original of the Financial Bid and clearly marked each as "ORIGINAL - TECHNICAL BID" and "ORIGINAL - FINANCIAL BID". In addition, the bidder shall submit seven (7) copies of the Technical and Financial Bids, and clearly marked them "COPY NO. \_\_\_\_ - TECHNICAL BID" and "COPY NO. \_\_\_\_ - FINANCIAL BID". In the event of any discrepancy between the original and the duplicate copies, the original shall prevail.

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- 17.2 The original and all copies of the bid shall be properly book-bound and chronologically paged. Properly book-bound means the bid is either hard-bound, or cloth-bound, or paper-bound. Failure to comply with any of these requirements shall be a ground for rejection of the bid.
- 17.3 The original and all 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 technical and financial bids shall be initialed by the person or persons signing the bid. Failure to comply with any of these requirements shall be a ground for rejection of the bid.
- 17.4 Any alterations, erasures, interlineations or overwriting shall be valid only if they are signed or initialed by the person signing the bid.

**18. Sealing and Marking of Bids**

- 18.1 The bidder shall enclose the original of the Technical Bid in one sealed envelope marked as "ORIGINAL - TECHNICAL BID", and the original of the Financial Bid shall be enclosed in another sealed envelope marked as "ORIGINAL - FINANCIAL BID". Both sealed envelopes shall then be placed in another single envelope marked as "ORIGINAL BID".
- 18.2 Each copy of the Technical Bid and Financial Bid shall be similarly sealed duly marked as "COPY NO. \_\_\_\_ - TECHNICAL BID" and "COPY NO. \_\_\_\_ - FINANCIAL BID", 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 or package that shall:
- a) bear the name of the contract to be bid: "**MANAGEMENT AND OPERATIONS OF CH SERVICES AT THE PORT OF \_\_\_\_\_**";
  - b) bear the name and address of the bidder;
  - c) be addressed to the BAC; and
  - d) bear a warning "DO NOT OPEN BEFORE \_\_\_\_\_ (the date and time for the opening of bids indicated in the IAEB).
- 18.3 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.

**19. Deadline for Submission of Bids**

- 19.1 Bids shall be submitted by bidders and received by the BAC on/or before \_\_\_\_\_ (time and date to be specified by the BAC) at the following address:

**THE CHAIRPERSON**  
Bids and Awards Committee  
PHILIPPINE PORTS AUTHORITY  
Port District Office of \_\_\_\_\_  
Address

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- 19.2 During submission of the bids, the names of the persons delivering and receiving, as well as the time the bids are received shall be recorded by the designated BAC Secretariat.
- 19.3 At its discretion, the BAC may extend the deadline for the submission of Bids by issuing an Addendum in which case all rights and obligations of the bidders previously subjected to the original deadline will thereafter be subject to the amended deadline.

## **20. Late Bids**

Any bid submitted after the deadline for submission and receipt of bids prescribed by the BAC shall be declared "Late" and shall not be accepted.

## **21. Modification and Withdrawal of Bids**

- 21.1 A bidder may modify its bids, 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 shall only be allowed to send another bid equally 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.
- 21.2 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 may be imposed by the Authority. A bidder may also express its intention not to participate in the bidding thru a letter, which should reach and be stamped received by the BAC before the deadline for the receipt of bids. A bidder that withdraws its bid shall not be permitted to submit another bid, directly or indirectly, for the same bidding.

## **22. Preliminary Examination of Bids**

- 22.1 The BAC shall open the Technical Bids 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 Bid, using a non-discretionary "pass/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 and immediately return to the bidder concerned its Financial Bid unopened. Otherwise, the BAC shall rate the said Technical Bid as "passed".
- 22.2 A bidder determined as "failed" has three (3) 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 (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 Bid, the BAC shall hold the Financial Bid of said failed bidder unopened and duly sealed until such time that the motion for reconsideration has been resolved.
- 22.3 Immediately after determining compliance with the requirements in the Technical Bid, the BAC shall forthwith open the Financial Bid of each remaining eligible bidder whose Technical Bid was rated "passed". The Financial Bid of each complying bidder shall be opened within the same day.

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In case one or more of the requirements in the Financial Bid of a particular bid is missing, incomplete or patently insufficient, the BAC shall rate the bid concerned as “failed”.

22.4 The Financial Bid shall be considered non-complying and shall be rejected under the following instances:

- ***For Ports with Manual CH Operations*** - The Financial Bid submitted does not provide a reduction in CH Tariff; or provide a reduction in rates in some but not in all tariff items; or does not provide a uniform reduction for all tariff items; or the proposed rates in any or all of the tariff items exceeds the floor prescribed therefor.
- ***For Ports with Mechanized CH Operations*** - The Financial Bid submitted provides with government share on the gross income from domestic CH operations and/or foreign CH operations that exceeds the “floor” and/or “ceiling” prescribed therefor.

***(NOTE: The BAC should indicate in the ITB only the applicable provision)***

22.5 Only bids that are determined to contain all the requirements for both technical and financial bids shall be rated “passed” and shall immediately be considered for evaluation and comparison.

22.6 The BAC shall prepare the minutes of the proceedings of the bid opening that shall include among others the following:

- a) the names of the bidders, checklist of requirements, financial bids, bid securities, and findings if any; and
- b) attendance sheet.

22.7 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.

### **23. Detailed Evaluation and Comparison of Bids**

23.1 The BAC shall undertake detailed evaluation and comparison of the financial bids to determine their compliance with the requirements as specified in Section 14.2 hereof. If the financial bid does not meet the said requirements, the same is considered non-complying and shall be rejected.

23.2 The BAC shall rank the complying bidders thereof in ascending order based on their financial bids to identify the Lowest Calculated Bid (LCB). (Note: This applies to ports with manual CH operations).

- OR -

The BAC shall rank the complying bidders thereof in descending order based on their financial bids to identify the Highest Calculated Bid (HCB) (Note: This applies to ports with mechanized CH operations).

23.3 The bidder with the (LCB or HCB) shall be subject to post-qualification to determine its responsiveness to the eligibility and bid requirements.

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23.4 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:

- a) Name of the port subject of bidding and its location
- b) Time, Date and place of bid opening.
- c) Names of bidders and their corresponding financial bid arranged from lowest to highest, the amount of bid security and the name of the issuing entity.

#### **24. Post Qualification**

24.1 Within seven (7) calendar days from the determination of the lowest calculated bid, the BAC shall conduct and accomplish a post qualification of the bidder with the (LCB or HCB), to determine whether the bidder concerned complies with all the requirements and conditions for eligibility and the bidding requirements, as specified in the bidding documents, in which case the said bidder's bid shall be considered and declared as the (Lowest Calculated and Responsive Bid (LCRB) or Highest Calculated and Responsive Bid (HCRB)).

24.2 The post qualification shall validate and ascertain all statements made and documents submitted by the bidder with the (LCB or HCB), among others, the following:

- a) 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 CH operator.
- b) Technical Requirements - To determine compliance with the requirements of the bidding documents and the contract, to include, among others:
  - 1) Verification and validation of the bidder's stated competence and experience and those of the key officials and personnel to operate and manage the CH services.
  - 2) Verification of availability and commitment, and/or inspection of CH equipment and gears owned or to be leased by the bidder.
  - 3) Ascertainment of sufficiency of the bid security, as to type, amount, form and wording and the validity period.
- c) Financial Requirements - To verify, validate and ascertain among others, the financial bid, available paid-up capital, committed working capital and credit line with a bank, if any.

24.3 If the BAC determines that the bidder with the (LCB or HCB) passes all the criteria for post qualification, it shall declare the said bidder as the (LCRB or HCRB) and the CH contract shall be awarded to the said bidder.

24.4 If, however, the BAC determines that bidder with the (LCB or HCB) fails the criteria for post qualification, it shall immediately notify the said bidder in writing of its post disqualification, and the grounds for it.

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The post-disqualified bidder shall have three (3) calendar days from receipt of the said notification to request from the BAC, if it so wishes, a reconsideration of this decision. The BAC shall evaluate the request for reconsideration, if any, using the same non-discretionary criteria and shall issue its final determination of the said request within seven (7) calendar days from receipt thereof.

- 24.5 Immediately after the BAC has notified the first-ranked bidder 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 second-ranked bidder. 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 be post-qualified as the bidder with the (LCRB or HCRB) and the CH contract shall be awarded to it.
- 24.6 If the second-ranked bidder, however, fails the post-qualification, the post-qualification procedure shall be repeated for the bidder with the next-ranked bidder, and so on until the (LCRB or HCRB) is determined for award.
- 24.7 In the event two or more bidders have been postqualified as (LCRB or HCRB), the tie shall be resolved through a tie-breaking scheme, viz:
1. The LOTTO Scheme shall be used wherein the concerned bidders shall select when will be the Lotto draws date shall be used (e.g 6/42 - every Tuesday and Saturday, 6/45 - every Monday, Wednesday and Friday or 6/49 - every Sunday and Thursday);
  2. From slots 1 to 6, each concerned bidder shall select their respective slot thru drawing of numbers;
  3. During the Lotto draw date (as selected by the bidders), the numbers as consecutively drawn shall be placed in the slots 1 to 6; i.e. first numbers to be drawn shall be placed in slot no. 1, second to be drawn in slot no. 2 and so on;
  4. The bidder whose slot gets the highest number shall be declared as the (LCRB or HCRB);
  5. In case there are more than six (6) tied bidders, the BAC shall use the bingo chips to break the tie.

## **25. Reservation Clause**

- 25.1 The BAC reserves the right to reject any and all bids, declare a failure of bidding, or not award the CH 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 ground where the award of the CH contract will not redound to the benefit of the AUTHORITY.

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## **26. Contract Award**

- 26.1 The Assistant General Manager for Operations, the General Manager or the PPA Board of Directors, depending on the term of the contract, shall within a period of fifteen (15) calendar days from the determination and declaration of the (LCRB or HCRB) and recommendation of the award approve or disapprove said recommendation. In case of approval, the Notice of Award (NOA) shall be immediately issued to the bidder with the (LCRB or HCRB) with corresponding advice to submit the required performance security bond within thirty (30) calendar days from the signing of the contract.
- 26.2 Contract award shall be made within the bid validity period. Should it become necessary to extend the validity of the bids and, if applicable, the bid securities, the Authority shall request in writing all those who submitted bids for such extension before the expiration date therefor. Bidders, however, shall have the right to refuse to grant such extension without forfeiting their bid securities.
- 26.3 The BAC shall also notify all losing bidders of its decision.

## **27. Signing of the Contract**

- 27.1 The winning bidder or its duly authorized representatives shall formally enter into contract with the Authority within (10) calendar days from receipt of the Notice of Award.

## **28. Performance Security**

- 28.1 To guarantee the faithful performance by the winning bidder of its obligations under the contract prepared in accordance with the bidding documents, it shall post a performance security within thirty (30) calendar days from signing of the contract. The performance security may be in any of the following forms:
- (a) Cash, certified check, cashier's/manager's check, bank draft/guarantee confirmed by a reputable local bank;
  - (b) Irrevocable letter of credit issued by a reputable commercial bank or in case of an irrevocable letter of credit issued by a foreign bank the same shall be confirmed or authenticated by a reputable local bank;
  - (c) Surety bond, callable upon demand issued by the GSIS or other reputable surety or insurance company duly licensed by the Office of the Insurance Commission; or
  - (d) A combination of the foregoing;

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The required amount of the above forms of security shall be in accordance with the following schedule:

FORM OF PERFORMANCE SECURITY	P_____ (TOTAL GROSS INCOME FROM CH OPERATIONS IN THE PORT FOR THE IMMEDIATELY PRECEDING YEAR)
Cash, certified check, cashier's check, manager's check, bank draft or irrevocable letter of credit	Five percent (5%)
Bank Guarantee	Ten percent (10%)
Surety Bond	Thirty percent (30%)

The performance security shall be posted in favor of the Authority and shall be forfeited in favor of the Authority in the event it is established that the winning bidder is in default in any of its obligations under the CH contract.

**29. Notice to Proceed (NTP)**

29.1 The Authority shall issue the NTP, together with a copy of the approved CH contract to the successful bidder within three (3) calendar days from the 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 NTP, all notices called for by the terms of the approved contract shall be effective only from such effectivity date.

**30. Venue of Court Cases**

The venue of any court action arising from or resulting from the conduct of this bidding shall be laid solely and exclusively in the proper court of the City/Municipality of (to be determined by the BAC).

**31. Governing Rules and Regulations**

Any and all matters regarding the bidding and award of contract for the CH services at the Port of \_\_\_\_\_ not covered by the provisions of this ITB shall be governed by the applicable provisions of PPA Administrative Order No. 01-2006, as amended



TERMS OF REFERENCE

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**Philippine Ports Authority**  
**Port District of \_\_\_\_\_**

**TERMS OF REFERENCE**

**For the Bidding 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 the CH and related services in the abovementioned port.
- 1.2 This Terms of Reference (TOR) is 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 interested to participate in the public bidding for the management and operations of CH services at the Port of       **(Name of Port)**      , in       **(Place)**      .
- 2.2 This part of the bidding documents sets out the general 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**

- 3.1 The scope of this bid is the management and operations of CH and related services at the Port of \_\_\_\_\_ which encompasses the area of       **(Exact Area of Operations)**      , particularly defined and delineated in the Port Layout Plan (**Port Layout Plan to be provided by the PMO concerned**), hereto attached as Annex "A".
  - 3.2 The services to be provided include arrastre services, stevedoring services and other CH related services (**other CH related services to be specified by the BAC, if any**).
- a) Arrastre service - Shore-based CH activities that include the following:
    - a.1 Receive and load cargoes from and to ship's tackle with the use of dock (Arrastre) gang and CH equipment and gears.
    - a.2 Check cargo by marks and quantity, acknowledge and sign tally sheet.
    - a.3 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.

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- a.4 Check and recoup bad order and damaged cargoes if damage is caused by the CH operator.
  - a.5 Deliver or transfer cargo onto or receive from truck's tail of consignee or shipper's transportation or ship's tackle.
  - a.6 Secure cargo from pilferage or losses while under CH Operator's custody.
  - a.7 Provide manpower, equipment and such other necessary CH gears for receiving, stowing, delivery, transfer, shifting and palletizing of cargo.
  - a.8 Provide checking services only when cargo is unloaded or loaded at shipside, to and from barges alongside vessels.
- b) Stevedoring service includes all works 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. The related services to stevedoring are rigging and unrigging ship's gears, opening and closing of hatches, snatching, centering to hatch, opening, passing of cargo and trimming, and provision of standard and stevedoring equipment and gears as required by the cargo type.
- c) **(Other related CH services to be specified by the BAC, if any).**

#### **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 at the Port of \_\_\_\_\_ particularly described and delineated in Annex "A" hereof.
- 4.2 The CH contract subject of the bid shall be for a period of (number in words) (in figures) years.

#### **5. Criteria for Award of CH Contract**

- 5.1 The CH Contract shall be awarded to the eligible bidder that offered the lowest CH Tariff to be charged to the shipper/port users for the CH services rendered (for ports with Manual CH operations) or committed the highest government share on the gross income from CH operations (for ports with Mechanized CH operations) which comply with all the requirements and limitations thereof.
- 5.2 In the event that there is a tie between or among the eligible bidders, the tie shall be resolved through the following tie-breaking scheme, viz:
1. The LOTTO Scheme shall be used wherein the concerned bidders shall select when will be the Lotto draws date shall be used (e.g. 6/42 - every Tuesday and Saturday, 6/45 - every Monday, Wednesday and Friday or 6/49 - every Sunday and Thursday);
  2. From slots 1 to 6, each concerned bidder shall select their respective slot thru drawing of numbers;
  3. During the Lotto draw date (as selected by the bidders), the numbers as consecutively drawn shall be placed in the slots 1 to 6; i.e. first numbers to be drawn shall be placed in slot no.1, second to be drawn in slot no. 2 and so on;

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4. The bidder whose slot gets the highest number shall be declared as the winning bidder;
  5. In case there are more than six (6) tied bidders, the BAC shall use the bingo chips to break the tie.

## 6. Business Plan

6.1 The CH Operator must have a Business Plan highlighting the business strategy that will be employed in the management and operations of the CH services for the duration of the contract. The Plan shall include the following:

- Traffic Projection and Analysis
- Cargo Handling Equipment
- Productivity Commitment
- Capital Structure/Requirement
- Safety and Security Program
- Marketing Strategy
- Manual of Systems and Procedures
- People Development

6.2 Each component of the Business Plan should comply or include the prescribed minimum requirements thereof, if any.

## 7. Cargo Handling Tariff

7.1 The CH charges and related fees to be collected by the CH Operator for the CH and related services shall be the (CH rates committed in its financial bid or the CH rates prescribed by the Authority).

**(Note: The BAC should indicate only the applicable CH rates)**

7.2 The CH rates and charges collectible by the CH operator for Services rendered may be subject to adjustment. Any request for the increase in CH tariff shall be in accordance with the price policy and rate setting mechanism of the PPA and the laws and regulations promulgated by the government. Provided however, that the request for an increase thereof maybe considered only under extraordinary economic conditions as may be determined and certified by the National Economic and Development Authority (NEDA) and Bangko Sentral ng Pilipinas (BSP) or when the following conditions are present:

- a. The adjustment is requested after the second (2nd) year of the Contract; and
- b. 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 the exchange rate of the Philippine pesos to the US dollar deteriorates by more than ten percent (10%).

## 8. Financial Obligations and Responsibilities

8.1 The CH Operator shall remit to the Authority, not later than the fifth (5th) day of every month (for the prior month's gross income), a government share from the gross income in connection with the management and operations of arrastre, stevedoring and **(other related CH services if any)**, whether billed/unbilled and collected/uncollected by the CH operator. The remittance of the government share is without prejudice to the implementation by the Authority of the direct or daily collection system.

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- 8.2 The government share to be remitted by the CH Operator shall be (to be specified by the BAC) of the gross income from domestic CH operations and (to be specified by the BAC) of the gross income from foreign CH operations.
- 8.3 Gross income shall include all income generated by the CH Operator from every source to include, but not limited to, arrastre, stevedoring and (other related CH services, if any).
- 8.4 The CH Operator shall pay all taxes and other impositions that may be levied upon its interests or activities covered by CH contract, by the government or its agencies, instrumentalities or political subdivisions.
- 8.5 The CH Operator shall pay Real Property Tax and other impositions on its leased areas within the port.
- 8.6 The CH Operator shall secure the required insurance coverage 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 be for the duration of the CH contract. All related insurance costs shall be born and paid for by the CH Operator.
- 8.7 The CH Operator shall, within thirty (30) days from the effectivity of the contract, put up the required performance security which shall be in accordance with the following schedule:

FORM OF PERFORMANCE SECURITY	P _____ (TOTAL GROSS INCOME FROM CH OPERATIONS OF THE PORT FOR THE IMMEDIATELY PRECEDING YEAR)
Cash, certified check, cashier's check, manager's check, bank draft or irrevocable letter of credit	Five percent (5%)
Bank Guarantee	Ten percent (10%)
Surety Bond	Thirty percent (30%)

Performance security if in the form of a surety bond shall be callable upon demand and secured from the GSIS or other reputable surety or insurance company duly licensed by the Office of the Insurance Commission.

The performance security, 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.

The amount of the performance security shall be subject to adjustment during the term of the contract in accordance with the pertinent provisions of PPA Administrative Order No. 13-96, as amended.

8.8 The CH Operator shall pay charges relating to electric, water, communications and other utilities used within its area of responsibility.

8.9 The CH Operator shall during the term of the CH contract maintain a minimum amount of capitalization (paid up capital or owner's equity) and working capital in accordance with the pertinent provisions of PPA Administrative Order No. 13-96, as amended.

**9. Management and Operational Requirements**

9.1 The CH Operator must be able to attain the committed Productivity Rates which shall be at least equal to or higher than the following minimum requirement thereof:

Mode of Handling Cargoes	Productivity Rates
<b>(MODES AND RATES TO BE SPECIFIED BY THE BAC)</b>	

9.2 The CH Operator shall on its own account provide and deploy upon commencement of operation its committed principal/key operations personnel and portworkers as well as the committed CH equipment and gears. These shall include the minimum requirements thereof which shall be as follows:

PRINCIPAL/KEY CH PERSONNEL	Years of Relevant Work Experience
General Manager	5
Operations Manager	5
Safety Officer	5
Supervisor	5

CH EQUIPMENT/GEARS	UNIT	CAPACITY
<b>(TO BE DETERMINED BY THE BAC)</b>		

9.3 The CH Operator shall likewise provide and deploy on its own account the additional and replacement equipment and gears committed in its Business Plan according to its schedules and such other necessary CH equipment and gears as may be required by the Authority.

9.4 The CH operator shall be responsible for the repair and maintenance of all CH equipment and gears used in the CH operations as well as the security thereof.

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- 9.5 If during the contract period, CH equipment are procured by the CH Operator whose depreciation period is longer than the contract period, the existing CH contract shall not be deemed automatically extended to allow full depreciation.
  - 9.6 Upon the expiration of the CH contract, the Authority 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.
  - 9.7 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 immediately upon the termination or expiration of the CH contract.

#### **10. Facilities Constructed or Introduced by the CH Operator**

- 10.1 The CH Operator shall provide, on its own account and expense, the facilities committed in the Business Plan or necessary for the CH operations as may be required by the Authority, and shall be responsible for its repair, maintenance and security
- 10.2 The facilities constructed or introduced by the CH Operator in the port shall, upon termination or expiration of the Contract, automatically become, free of charge, the property of the Authority, free from all liens and encumbrances.

#### **11. Port Labor**

- 11.1 The CH Operator shall employ and utilize existing portworkers, subject to pertinent provisions of existing labor laws, rules and regulations, as well as the pertinent provisions of PPA Administrative Order No. 01-2006, as amended.
- 11.2 The CH Operator shall respect existing Collective Bargaining Agreements, (CBA), if any, pursuant to pertinent labor laws and other existing rules and regulations.
- 11.3 The CH Operator shall put up the Portworkers' Retirement and Separation Fund (PRSF) in accordance with the provision of PPA Administrative Order No. 01-2006, as amended, which shall be exclusively used to finance the benefits of portworkers who resign, retire or have been retrenched or whose services have been terminated due to changes in CH Operator in the said port.

#### **12. Port Management Information System**

- 12.1 The CH Operator shall undertake and implement appropriate management information systems (MIS) 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.
- 12.2 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.

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### **13. Maintenance and Upkeep of Port**

- 13.1 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.
- 13.2 The CH Operator shall be responsible for the cleanliness, good housekeeping, as well as port garbage collection in accordance with the policies of the Authority in the area, offices, shed and other premises under its operational control.

### **14. Port Safety and Security**

- 14.1 The CH operator shall implement a Port Security Plan in accordance with the pertinent rules and regulations of the Authority to safeguard and protect port personnel and legitimate port clients, users, cargoes, buildings, cargo handling and safety equipment and gears in the port.
- 14.2 Provide safety signs, slogans and similar notices in strategic places in the Port.
- 14.3 The Management Contractor shall control pilferage or damage to cargo which shall not be more than one-tenth (1/10) of one percent (1%) of the total value and/or the total volume in metric tons of all cargoes handled monthly.
- 14.4 The Management Contractor shall accept the liability and pay promptly the port users concerned for any loss, damage or non-delivery of cargoes as adjudicated by the PPA Cargo Claims and Arbitration Committee (CCAC).

### **15. Access to the Port Premises**

- 15.1 The CH Operator shall ensure that access to the port and its premises shall be governed by a Port Security Plan 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.

### **16. Compliance with Laws, Rules and Regulations, Policies and Guidelines**

- 16.1 The CH Operator shall comply with all applicable existing laws, rules and regulations, policies and guidelines and those which may hereafter be promulgated by PPA and other government instrumentalities.
- 16.2 All such laws, rules and regulations, policies and guidelines shall be read into and made integral part of this TOR.



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ANNEX III - E

TECHNICAL BID

**TECHNICAL BID SUBMISSION FORM**

\_\_\_\_\_  
(Name of Company)

\_\_\_\_\_  
\_\_\_\_\_  
(Address)

Date : \_\_\_\_\_

**The Chairperson**

Bids and Awards Committee  
PHILIPPINE PORTS AUTHORITY  
PDO \_\_\_\_\_  
Address \_\_\_\_\_

Dear Sir:

In response to your "INVITATION TO BID" dated \_\_\_\_\_, the undersigned \_\_\_\_\_ (Name and Position in the Company) of \_\_\_\_\_ (Name of Company), duly organized in accordance with the laws of the Republic of the Philippines, after having been issued and examined the Instructions to Bidders, Terms of Reference and Pro-forma CH Contract for the management and operations of CH services at the Port of \_\_\_\_\_, hereby submits the following technical proposal documents/information:

- a. Authority of signing official
- b. Bid Security
- c. Certificate of Site Inspection
- d. Affidavit of Site Inspection
- e. Affidavit of Compliance on Bidder's Responsibilities
- f. Organizational Chart for the CH contract
- g. Business Plan
- h. List of principal/key CH personnel for deployment at the start of operations

Personally, and for and in behalf of the firm, I do hereby certify that:

- a. All the statements made in this Technical Bid and in the required attachments, altogether consisting of \_\_\_\_\_ ( ) pages which are consecutively numbered and signed in full by me on the bottom margins, are true and correct.

- 
- b. This Technical Bid is made for the management and operations of CH services at the Port of \_\_\_\_\_.
  - c. The General Manager of the Philippine Ports Authority (PPA) or his duly authorized representative is hereby authorized to look into the books of accounts, documents, and other relevant records of our company, or to secure certified copies of our company's financial statements filed with the Bureau of Internal Revenue, for the purpose of verifying and ascertaining our technical and financial capabilities as a CH operator.
  - d. Any public official, surety company, bank, equipment manufacturer or distributor or any other person, firm or corporation is hereby authorized and requested to furnish any pertinent information requested by the Authority as necessary to verify the documents submitted regarding the competence and general reputation of the company.

I hereby agree that the venue of court action on any case(s) arising or resulting from the conduct of public bidding for the aforesaid CH services shall be filed exclusively in a proper court in the City/Municipality of (to be determined by the BAC).

I hereby guarantee the truth and correctness of the foregoing information and hold the firm and myself liable, criminally and civilly, for any misrepresentation or false statement made herein.

Very truly yours,

\_\_\_\_\_  
*(Name and Signature of Authorized Signing Official)*

REPUBLIC OF THE PHILIPPINES }  
 CITY OF \_\_\_\_\_ } S.S.

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_\_\_, affiant exhibiting to me his Community Tax Certificate No. \_\_\_\_\_, issued on \_\_\_\_\_, at \_\_\_\_\_, Philippines.

NOTARY PUBLIC

Doc. No. \_\_\_\_\_;  
 Page No. \_\_\_\_\_;  
 Book No. \_\_\_\_\_;  
 Series of \_\_\_\_\_.

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } S.S.

**AUTHORITY OF SIGNING OFFICIAL**

I, \_\_\_\_\_ (Name of authorized signing official), of legal age, Filipino, single/married, and residing at \_\_\_\_\_ (Postal address) \_\_\_\_\_ after having been duly sworn to in accordance with law, hereby depose and say:

1. That I am the \_\_\_\_\_ (Position/Title) \_\_\_\_\_ of \_\_\_\_\_ (Name of firm or entity) \_\_\_\_\_ an entity engaged in \_\_\_\_\_ (Nature of business) \_\_\_\_\_ with principal office and business address at \_\_\_\_\_ (Postal address) \_\_\_\_\_;
2. That I am the only official authorized to sign any or all eligibility and bidding documents, to submit bids and to enter into contract for the cargo handling services at the Port of \_\_\_\_\_;
3. That I am executing this affidavit to attest to the truth of the foregoing facts and as part of the bidding requirements for the aforementioned contract.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_ 200 \_\_\_\_ at \_\_\_\_\_, Philippines.

\_\_\_\_\_  
(Affiant's signature over printed name)

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_ 200 \_\_\_\_, affiant exhibiting to me his/her Community Tax Certificate No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_, Philippines.

NOTARY PUBLIC

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.

**Note: A Special Power of Attorney must be executed and attached in case the Authorized Signing Official is not the owner-proprietor. In case the applicant is a corporation, partnership, cooperative or joint venture, a resolution of the Board or majority of partner or member, as the case may be, granting authority to the Signing Official must be attached hereof.**

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**TB FORM 3**

**COPY OF BID SECURITY IN THE PRESCRIBED FORM, AMOUNT,  
AND VALIDITY PERIOD**

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**TB FORM 4**

**COPY OF CERTIFICATE OF SITE INSPECTION ISSUED BY  
DULY AUTHORIZED OFFICIAL OF PMO CONCERNED**

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } S.S.

**AFFIDAVIT OF SITE INSPECTION**

I, \_\_\_\_\_ (Name of authorized signing official), of legal age, Filipino, single/married, with residence and postal address at \_\_\_\_\_, after having been duly sworn in accordance with law, hereby depose and say:

1. That I am the \_\_\_\_\_ (Position/Title) \_\_\_\_\_ of \_\_\_\_\_ (Name of Company) \_\_\_\_\_ an entity engaged in the business of \_\_\_\_\_ (Nature of Business) \_\_\_\_\_, with principal office and business address at \_\_\_\_\_ (Postal Address) \_\_\_\_\_;
2. That The Philippine Ports Authority (PPA), PDO \_\_\_\_\_ is conducting a public bidding for the management and operations of CH services at the Port of \_\_\_\_\_;
3. That a site inspection is among the requisites in the aforesaid public bidding;
4. That on \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, I have conducted site inspection of the Port of \_\_\_\_\_.
5. The I am executing this affidavit to attest to the truth of the foregoing facts and as a requisite for the aforesaid bidding.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_\_\_, in the City of \_\_\_\_\_.

\_\_\_\_\_  
(Name and Signature of Affiant)

SUBSCRIBED AND SWORN TO before me, on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, in the City of \_\_\_\_\_ by the affiant with Community Tax Certificate No. \_\_\_\_\_, issued on \_\_\_\_\_ at \_\_\_\_\_.

NOTARY PUBLIC

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } S.S

**AFFIDAVIT OF COMPLIANCE ON BIDDER'S RESPONSIBILITIES**

I, (Name of authorized signing official), of legal age, Filipino, single/married, with residence and postal address at \_\_\_\_\_, after having been duly sworn in accordance with law, hereby depose and say:

1. That I am the \_\_\_\_\_ (Position/Title) of \_\_\_\_\_ (Name of Company) an entity engaged in the business of \_\_\_\_\_ (Nature of business), with principal office and business address at \_\_\_\_\_ (Postal address);
2. That the Philippine Ports Authority, PDO \_\_\_\_\_ is conducting a public bidding for the management and operations of cargo handling services at the Port of \_\_\_\_\_;
3. That with regard to the aforesaid bidding, the \_\_\_\_\_ (Name of Company) is attesting that it is responsible for:
  - a. having taken steps to carefully examine all of the bidding documents;
  - b. having determined and acknowledged all matters pertaining to the CH services, location of the port, climatic condition of the area, availability of labor, transportation and communication and other factors that may affect the bid; and
  - c. having been familiar with all the applicable laws, decrees, ordinances, rules and regulations thereof.
4. That I am executing this affidavit to attest to the truth of the foregoing statements and as a requirement for the aforesaid bidding.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this \_\_\_\_\_ day of \_\_\_\_\_ 200 \_\_\_\_, in the City of \_\_\_\_\_.

\_\_\_\_\_  
(Name and Signature of Affiant)

SUBSCRIBED AND SWORN TO before me, this \_\_\_\_\_ day of \_\_\_\_\_ 200 \_\_\_\_, in the City of \_\_\_\_\_ by the affiant with Community Tax Certificate No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_.

NOTARY PUBLIC

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Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.

**COPY OF ORGANIZATIONAL CHART FOR THE CH CONTRACT  
TO BE BID**

**COPY OF THE BUSINESS PLAN  
(AS REQUIRED UNDER SECTION 17 OF PPA ADMINISTRATIVE ORDER NO.  
01-2006, AS AMENDED)**

**NOTE:**

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



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- 
- (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.
  - (h) People Development - a program for the improvement of the workers' and employees' welfare to include, among others, training, financial amelioration and other similar benefits.
2. Each component of the Business Plan should include the minimum requirements specified in the bidding documents, if any.
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**TB FORM 9**

**LIST OF PRINCIPAL/KEY CH PERSONNEL FOR  
DEPLOYMENT AT THE START OF OPERATIONS**

FINANCIAL BID

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**FINANCIAL BID**

**FINANCIAL BID SUBMISSION FORM**

\_\_\_\_\_  
(Name of Company)

\_\_\_\_\_  
\_\_\_\_\_  
(Address)

Date : \_\_\_\_\_

**The Chairperson**

Bids and Awards Committee  
PHILIPPINE PORTS AUTHORITY  
PDO \_\_\_\_\_  
Address

Dear Sir:

In response to your "INVITATION TO BID" dated \_\_\_\_\_, the undersigned (Name and Position in the Company) of (Name of Company), duly organized in accordance with the laws of the Republic of the Philippines, after having been issued and examined the Instructions to Bidders, Terms of Reference and Pro-forma CH Contract for the management and operations of CH services at the Port of \_\_\_\_\_, hereby submits the (proposed CH tariff to be charged to the shippers or port users for the CH services rendered in the port for the duration of the contract or committed government share on the gross income from CH services for the duration of the contract).

Personally, and for and in behalf of the firm, I do hereby certify that:

- a. All the statements made in this Financial Bid and in the required attachments, altogether consisting of \_\_\_\_\_ ( ) pages which are consecutively numbered and signed in full by me on the bottom margins, are true and correct.
- b. This Financial Bid is made for the management and operations of CH services at the Port of \_\_\_\_\_.
- c. The General Manager of the Philippine Ports Authority (PPA) or his duly authorized representative is hereby authorized to look into the books of accounts, documents, and other relevant records of our company, or to secure certified copies of our company's financial statements filed with the Bureau of Internal Revenue, for the purpose of verifying and ascertaining our technical and financial capabilities as a CH operator.
- d. Any public official, surety company, bank, equipment manufacturer or distributor or any other person, firm or corporation is hereby authorized and requested to furnish any pertinent information requested by the Authority as necessary to verify the documents submitted regarding the competence and general reputation of the company.

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I hereby agree that the venue of court action on any case(s) arising or resulting from the conduct of public bidding for the aforesaid CH services shall be filed exclusively in a proper court of the City/Municipality of (to be determined by the BAC).

I hereby guarantee the truth and correctness of the foregoing information and hold the firm and myself liable, criminally and civilly, for any misrepresentation or false statement made herein.

Very truly yours,

\_\_\_\_\_  
(Name and Signature of Authorized Signing Official)

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } S.S.

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 200 \_\_\_\_\_ in \_\_\_\_\_, Philippines, affiant exhibiting to me his Community Tax Certificate No. \_\_\_\_\_ issued on \_\_\_\_\_ at \_\_\_\_\_.

NOTARY PUBLIC

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of \_\_\_\_\_.

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FB FORM 2

**COPY OF THE PROPOSED CH TARIFF TO BE CHARGED TO THE SHIPPERS AND PORT USERS FOR THE CH SERVICES RENDERED IN THE PORT OF \_\_\_\_\_ FOR THE DURATION OF THE CONTRACT**

**OR**

**COMMITTED GOVERNMENT SHARE ON THE GROSS INCOME FROM CH SERVICES IN THE PORT OF \_\_\_\_\_ FOR THE DURATION OF THE CONTRACT**

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ANNEX III - G

PRO-FORMA CH CONTRACT

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**CONTRACT FOR THE MANAGEMENT AND 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 instrumentality duly constituted and existing under and by virtue of Presidential Decree No. 857, as amended, with principal office at PPA Building, Bonifacio Drive, Port Area, Manila, represented herein by its \_\_\_\_\_, 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 \_\_\_\_\_ 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 \_\_\_\_\_ dated \_\_\_\_\_, a copy of which is hereto attached and made an integral part hereof as Annex "B", and hereinafter referred to as the **CH OPERATOR**.

WITNESSETH

WHEREAS, the **AUTHORITY** is empowered under Presidential Decree No. 857, as amended, to provide cargo handling (CH) services and other related services, whether on its own, by contract or otherwise, in any Philippine ports under its jurisdiction.

WHEREAS, on \_\_\_\_\_, the **AUTHORITY**, pursuant to PPA Administrative Order No. 01-2006, as amended, conducted a public bidding for the management and operations of CH services at the Port of \_\_\_\_\_ in \_\_\_\_\_.

WHEREAS, after the opening of bids and due evaluation thereof and the conduct of the required post-qualification process, the bid of the **CH OPERATOR** was determined to be the Lowest Calculated and Responsive Bid.

WHEREAS, pursuant to the PDO \_\_\_\_\_ Bids and Awards Committee Resolution No. \_\_\_\_\_ dated \_\_\_\_\_, award of the Contract for the Management and Operations of the CH services at the Port of \_\_\_\_\_ in \_\_\_\_\_ was made to the **CH OPERATOR** in a Notice of Award dated \_\_\_\_\_ and the **CH OPERATOR** signified its "conforme" thereof.

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 the Port of \_\_\_\_\_ in \_\_\_\_\_ and on all vessels berthed thereat, under the following terms, conditions, stipulations and covenants, to wit:

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- 
1. **Term and Effectivity of Contract** - This Contract shall take effect on \_\_\_\_\_ and shall remain in force and effect for a period of \_\_\_\_\_ (\_\_) **YEARS**, unless sooner terminated or cancelled for cause as provided for in Section 13 of this Contract.
  2. **CH Services** - The **CH OPERATOR** shall manage, operate and provide CH and related 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 equipment and gears.
- b. Check cargo by marks and quantity, acknowledge and sign tally sheets.
- c. Sort and initially pile cargo in the sheds, 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 consignees or shippers transportation or ship's 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 only 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 deck or open cargo spaces on board vessel.
- b. Rigging and unrigging of ship's gear, opening and closing of hatches, snatching, centering to the hatch, opening, passing of cargo and trimming.
- c. Provision of standard stevedoring equipment and gears as required by the cargo type.

#### **Other Related CH Services**

- a. (to be specified by the BAC, if any)
- b.
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 gross income) \_\_\_\_\_ **PERCENT** (\_\_\_%) of the gross income for handling domestic cargo and \_\_\_\_\_ **PERCENT** (\_\_\_%) of the gross income for handling foreign cargo, whether billed or unbilled and collected or uncollected 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 penalty charge in accordance with existing regulations.

It is further agreed that the consideration mentioned above is exclusive of the Value Added Tax (VAT)

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and the VAT due thereon, including any subsequent increase thereof, if any, 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** - The arrastre, stevedoring and other related CH charges to be collected by the **CH OPERATOR** shall be those provided in the list attached hereto as Annex "C", which shall form an integral part of this Contract.
6. **Performance Security** - The **CH OPERATOR** shall, within one (1) month upon execution of this contract, put up a performance security in the amount of \_\_\_\_\_ (P \_\_\_\_\_) **PESOS**. The amount of said security shall be adjusted from time to time in accordance with the pertinent guidelines of the **AUTHORITY**. The security, 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.

The security to be posted shall specifically contain a provision that "This bond, once accepted by the Philippine Ports Authority (PPA) cannot be cancelled or withdrawn by the GSIS or the **CH OPERATOR** without the express consent of the PPA until their obligations under the contract shall have been fully liquidated". In no case shall the **AUTHORITY** accept a security not containing the aforementioned stipulation.

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 or termination of this Contract.
8. **Cargo Handling, Safety and Related Equipment and Gears** - At the commencement of operations, the **CH OPERATOR** shall provide and maintain the required minimum CH, safety and related equipment and gears all in serviceable and readyline conditions, as enumerated in the list attached hereto as Annex "E" which shall form an integral part of this Contract. Further, the **CH OPERATOR** shall comply with the scheduled commitment to procure and deploy additional and necessary CH equipment and 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, and such other CH equipment and gears as may be required by the **AUTHORITY** to ensure fast, safe and efficient handling of cargoes. Failure to do so shall likewise cause the cancellation of this Contract.

Provided, that the aforementioned list of equipment and gears shall be subject to periodic review, inspection, inventory and revision by the **AUTHORITY** taking into account the productivity rates required under Section 9 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 of conveyance or any other contract that may affect, encumber or impose any lien on any of the equipment or machineries used in the CH operations without prior approval of the **AUTHORITY**.



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9. **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**.

10. **Portworker's 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 ng Pilipinas in the amount of \_\_\_\_\_ (P\_\_\_\_\_) **PESOS**, in accordance with the pertinent provisions of PPA Administrative Order No. 01-2006, as amended, otherwise known as the Compendium of Regulations on CH Operations. Said PRSF shall be used exclusively 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** in the said port. The deposited amount shall be correspondingly adjusted or increased to fully cover the retirement benefits of employees retiring during the term of this contract.

11. **Submission of List of Laborers and 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 portworkers, the **CH OPERATOR** shall, upon effectivity of this Contract and every six (6) months thereafter, submit to the PMO \_\_\_\_\_, a list of all its employees, workers or laborers.

12. **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.

13. **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 security within one (1) month from the execution of this Contract or renew the same within one (1) month upon expiration of said security.
- 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 and gears specified in Annexes "E" and "F" hereof.

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- f. Failure of the **CH OPERATOR** to attain the committed annual productivity rates as provided in Section 9 hereof.
  - g. Failure of the **CH OPERATOR** to pay its employees, laborers, stevedores and portworkers 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 10 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 prior written consent and approval of the **AUTHORITY**.
  - l. Willful involvement or 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 or participation 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 suspension, 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 or perform the obligations within one (1) month 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.

14. **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

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this Contract, giving the latter up to one (1) month 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.

15. **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 all court actions arising out of or in connection with this Contract shall be laid solely and exclusively in the proper court of the City of Manila.
16. **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.
17. **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 or 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 aforementioned policies on modernization, which may be issued after the execution of this Contract. Said policies shall also form part of this Contract.
18. **Taxes, Licenses, Permits and Fees** - The **CH OPERATOR's** tax, licenses, fees or charges of whatever form, kind or nature due or which may be due to the national or local government units or its instrumentalities and agencies on account of the performance of the services or the activities stipulated herein, shall be paid for and obtained by the **CH OPERATOR** on its own account. 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 regularly present, within the duration of this Contract, a Tax Clearance Certificate 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 tax payments made thereon.
19. **Prohibition Against Assignment, Encumbrance, Transfer and Other Conveyance** - There shall be no assignment, mortgage or transfer, directly or indirectly, of this contract or any

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portion hereof, or any of the undertakings hereunder without the written approval of the **AUTHORITY**.

20. **Other Conditions** - Upon the effectivity of this Contract, the **CH OPERATOR** shall:

- a. Employ and utilize members of the existing labor force, subject to existing labor laws, rules and regulations and the pertinent provisions of PPA Administrative Order No. 01-2006, as amended.
- b. Respect existing Collective Bargaining Agreements (CBA), if any, and implement and carry over all current portworkers' 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 tenth (1/10) of one percent (1%) of the total value and/or the total volume in metric tons of all cargoes handled monthly.
- 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 Arbitration Committee (CCAC).
- e. Maintain at its own cost and expenses the port facilities in a neat, clean, safe, usable and in proper working condition.
- f. Provide safety signs and 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 concerned.
- 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 and structures that the **CH OPERATOR** shall be responsible for.
- l. Maintain, implement and improve the firm for ISO-9001 (Quality Management Systems 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 compatible with the **AUTHORITY's** 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.

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Further, the **CH OPERATOR** shall strictly comply with all the other PPA policies, rules and regulations applicable thereto, including those that may be issued or promulgated after the execution of this Contract.

21. **Contract Documents** - The following documents shall also constitute integral parts of this Contract, as fully as if the contents of said documents are reproduced, incorporated and set forth herein, and shall control in full force and effect the rights and obligations of the Parties, except those modified by the terms and conditions of this Contract, to wit:
- a. Invitation to Apply for Eligibility and to Bid;
  - b. Bidding Documents;
  - c. Addenda or Supplemental/Bid Bulletin, if any;
  - d. Eligibility requirements documents and statements;
  - e. Technical and Financial Proposals, including all its annexes;
  - f. Notice of Award and the **CONTRACTOR's** "conforme" thereof;
  - g. Performance Security; and
  - h. Other documents as may be required under existing laws or by the **AUTHORITY**.

Provided, that in case of irreconcilable conflict between the provisions of the contract and the provisions of any of the aforesaid contract documents, the former shall prevail.

22. **Other Amendments** - At any time during the effectivity of this Contract, the **AUTHORITY** and the **CH OPERATOR** may agree to modify or amend its existing terms, conditions and requirements as circumstances demand for the mutual benefits of the parties.
23. **Separability Clause** - If at any time of this Contract one or more of the provisions is or becomes invalid, illegal or unenforceable in any respect under any law by which it may be governed or affected, the validity, legality and enforceability of the remaining provisions of this Contract shall not be impaired or affected as a result thereof.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ in the City of \_\_\_\_\_, Philippines.

**Philippine Ports Authority**

**(Name of CH OPERATOR)**

By:

By:

\_\_\_\_\_  
**General Manager**

\_\_\_\_\_

SIGNED IN THE PRESENCE OF:

\_\_\_\_\_

\_\_\_\_\_

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**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES)  
CITY/MUNICIPALITY OF \_\_\_\_\_) S.S.

BEFORE ME, a Notary Public for and in the City of \_\_\_\_\_, Philippines, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, 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 instruments as:

POSITION	COMPANY	CTC NO.	DATE	PLACE
_____	PHILIPPINE PORTS AUTHORITY	_____	_____	_____
_____	_____	_____	_____	_____

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 the Management and Operations of Cargo Handling Services at the Port of \_\_\_\_\_ consisting of (\_\_\_\_) pages, including this page on which this acknowledgement 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 \_\_\_\_.

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May 25, 2009

**PPA MEMORANDUM CIRCULAR**  
NO. 09 - 2009

**TO :** District Managers, Port Managers, Shipping Lines/Companies,  
Shippers and All Others Concerned

**SUBJECT :** Submission of Dangerous Cargo Manifest/List

**A. AUTHORITY/REFERENCE:**

- Section 6 (a) (iii) of Presidential Decree No. 857
- Section 4 of PPA Memorandum Circular No. 28-85 (See Port Rules and Regulations Vol. 8 page 87) entitled "Guidelines on the Handling and Storage of Dangerous Cargoes"
- Section 7.5.1.6 of PPA Administrative Order No. 08-97 (See Port Rules and Regulations Vol. 11 Page 18) entitled "Code of Safe Handling, Storage and Transport of Dangerous Cargoes in Ports"
- Section 2-H, Article XVII of Dockwork Safety and Health Standards
- PPA Memorandum Circular No. 07-08 (See Port Rules and Regulations 2008 Page 55) entitled "Compliance with Regulations on Safe Handling, Storage and Transport of Dangerous Goods in Ports"

**B. SCOPE:**

This Circular shall be implemented in all ports under the jurisdiction of the Philippine Ports Authority.

**C. OBJECTIVE:**

The presence of dangerous cargoes in ports poses danger to port users, facilities and environment. It is therefore of paramount importance that the entry, handling and movement of said cargoes shall be **strictly monitored and controlled**, particularly prior to its loading onto or discharging from the carrying vessel.

**D. RESPONSIBILITY:**

The PDOs/PMOs shall ensure that the Shipping Lines/Companies within their areas of responsibility are properly informed and shall be complying with this Circular.

**E. REQUIREMENT:**

- The Dangerous Cargo Manifest/List for both domestic and foreign cargoes shall be submitted to the Authority using the prescribed format (Annex A) together with the Notice of Arrival and the Application for Berth;

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- No application for Berth shall be processed without the accompanying Dangerous Cargo Manifest/List; and
  - Annex "A" shall be duly certified by/sworn to by the Master of the Vessel/Shipping Agent.

**F. PENALTY:**

Violation of any provision of this Circular shall subject the person/entity involved to the penalties prescribed under Section 43-a of PD 857 (Revised Charter of the Philippine Ports Authority) to wit:

"Any person who violates any of the provisions of this decree or any of the rules and regulations issued or promulgated by the Authority, shall be punished by imprisonment for not less than one day but not more than six years, and pay a fine of not less than two hundred pesos but not more than one hundred thousand 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 manager, director, representative or employee thereof responsible for the violation. If the offender is an alien he shall be deported immediately without further proceedings, after serving his sentence and paying the fine."

This Circular takes effect immediately

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager



Annex "A"

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

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October 15, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 23 - 2009**

**TO :** District Managers, Port Mangers  
Cargo Handling/Terminal Operators  
Cargo Shippers/Owners  
All Others Concerned

**SUBJECT :** Mandatory Weighing of Containers and RO-RO Vehicle

The Authority has implemented a mandatory weighing policy for loaded foreign containers at the South Harbor and the Manila International Container Terminal (MICT). This is to ensure safety not only in the handling of outbound containers but also to mitigate risks to the port facilities, cargo handling equipment and the carrying vessels.

Lately however, several incidents resulting out of overloading of domestic containers and RO-RO vehicles have been reported to the Authority.

In view thereof, the following guidelines are hereby prescribed:

1. All outbound containers and RoRo vehicles, both foreign and domestic, for loading onto a carrying vessel shall be subject to mandatory weighing at the port of loading to ensure its compliance with the Allowable Container Weight and Prescribed Gross Vehicle Weight. The Weighing Tickets for the said containers and vehicles shall be honoured at the port of destination.
2. The cargo handling/terminal operators shall be responsible for ensuring the allowable/prescribed weights and safe handling of all containers and RoRo vehicles at the port.
3. Overloaded containers and Ro-Ro vehicles shall not be loaded onto the carrying vessel unless measures to correct the same have been done.

However, these measures such as stripping, attendant special services and ultimate withdrawal of these cargoes that maybe provided by the cargo handling/terminal operator are for the account of the cargo/vehicle owner.

4. Any weighbridge operation within the port is the responsibility of the Cargo handling/terminal operator but may be bid out by the Authority in case of the operator's inability to provide and operate the same.
5. All weighing service providers/operators are required to secure permit/accreditation from the PPA before they are allowed to operate in the port.
6. Payment for the use of the Weighbridge/Truck Scale shall be the rates as agreed upon the service provider and the owner of the cargo/vehicle and as approved by PPA, until such time that the Authority shall have established a standard weighing rate nationwide.

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7. The service providers/operators shall remit to the Authority the corresponding government share or variable fee out of its gross income from weighing service operation, in addition to the permit fee per annum as provided for in PPA AO No. 08-96 (See Port Rules and Regulations Vol. 10 Page 84) and PPA MC No. 07-97 (See Port Rules and Regulations Vol. 11 Page 103).
  8. Cargo handling/terminal operators shall, whenever necessary and expedient, coordinate with the Authority any concern resulting from the mandatory weighing of cargoes/containers and for the efficient implementation of this circular.
  9. All PMOs shall issue corresponding PMO guidelines to implement this Memorandum Circular.

This Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation and shall remain in force and effect unless otherwise cancelled or revoked.

For the guidance and compliance of all concerned.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - October 22, 2009*

**Effectivity Date - November 6, 2009**

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# DREDGING

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April 02, 2009

**PPA MEMORANDUM ORDER**  
**NO. 23 - 2009**

**Subject : Adjusted Rates for Rental/Hiring of Survey Boat, Equipment and Personnel**

Due to the effects of inflation, the rental rates for the use of survey boat and equipment, and hiring rates for personnel services of PPA specified under Memorandum Order No. 26-05, (See Port Rules and Regulations 2005 page 85) dated 11 May 2005 as amended under PPA Memorandum Order No. 28-2005, (See Port Rules and Regulations 2005 page 86) dated 26 May 2005 are hereby adjusted correspondingly as follows:

a)	Survey Boat (Includes crew and fuel costs)	-	P 20,778.00/day or fraction thereof
b)	Total Station	-	2,196.00/day
c)	Theodolite	-	1,025.00/day
d)	Echo Sounder	-	3,660.00/day
e)	Sr. Geodetic Engineer	-	1,464.00/day
f)	Instrumentman	-	703.00/day
g)	Cartographer/Draftsman	-	360.00/day
h)	Data Processing and Plotting	-	5,000.00/sheet
i)	Map Reproduction	-	100.00/sheet

The foregoing does not include incidental and out-of-town expenses (local and provincial transportation, per diems, internet, communication, photocopying, etc.) which shall be to the account of the client.

This Order takes effect immediately and shall remain in effect unless earlier amended or otherwise revoked.

(Sgd). **ATTY. OSCAR M. SEVILLA**  
General Manager

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# **PILOTAGE**

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**March 09, 2009**

**MEMORANDUM**

**TO : All District/Port Managers**

**FROM : The AGM for Operations**

**SUBJECT : Direct Collection of 10% Government Share from Pilotage Income**

In order to protect the interest of the government, all PMOs are hereby directed to implement the direct collection of 10% government share from pilotage service rendered by harbor pilots/harbor pilots' associations within your area of jurisdiction.

Pursuant to Section 5.3.1 of PPA A.O. No. 09-2000 entitled "Guidelines to PPA A.O. No. 15-95 (Guidelines on Pilotage Rates and PPA Revenue from Pilotage Services) (See Port Rules and Regulations Vol.9 page 52), the government share shall be assessed and directly collected by PPA from shipping companies/agents on a per vessel basis. Said government share, together with payments for vessel charges, shall be collected before issuance of the vessel departure clearance.

For compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**

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July 24, 2000

**PPA ADMINISTRATIVE ORDER  
NO. 09 - 2000**

**TO :** All Harbor Pilots, Harbor Pilots, Associations,  
Shipping Associations/Companies/Agents and  
Others Concerned

**SUBJECT :** AMENDMENT TO PPA ADMINISTRATIVE ORDER NO.15-95 (GUIDELINES ON  
PILOTAGE RATES AND PPA REVENUE FROM PILOTAGE SERVICES)

**1. AUTHORITY**

1.1 Sections 2 (f), 6-a ( viii), b(xv) and 20 of P.D. 857, as amended by LOI No. 1005-A

**2. OBJECTIVES**

2.1 To prevent the accumulation of accounts receivable accruing from the ten (10%) percent government share on pilotage service.

2.2 To integrate and simplify the collection of the said 10% share with vessel charges.

**3. PURPOSE**

To revise the guidelines by requiring shipping lines/agents to pay directly to PPA the ten (10%) percent government share from pilotage services actually rendered (excluding overtime) by Harbor Pilots/ Harbor Pilots' Associations.

**4. AMENDMENT**

Section 5.3 of PPA Administrative Order No. 15-95 (See Port Rules and Regulations Vol. 9 page 52) is hereby amended to read as follows:

"5.3 PPA Revenue – In consideration of the privilege to render pilotage service and to use port facilities, all Harbor Pilots/Pilots' Associations shall remit to the authority, through the Port Management Office (PMO), a government share of not less than ten (10%) percent of their gross income derived from purely pilotage service.

5.3.1 The ten (10%) percent government share from regular pilotage services rendered shall be assessed and directly collected by PPA from shipping companies/agents on a per vessel basis in accordance with the prescribed pilotage rates specified under Section 5.1 of PPA Administrative Order No. 15-95. Said 10% government share, together with payments for vessel charges, shall be collected by PPA before issuance of the vessel Departure Clearance.

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5.3.2 For income derived by the Pilots' Associations or its members from other related special pilotage services, the Pilots' Associations shall be billed by PPA and shall pay the 10% government share within fifteen (15) days from receipt of PPA billing. Late payment shall be subject to interest and penalties prescribed under PPA Administrative Order Nos. 08-82 and 01-91.

5.3.3 For purposes of counterchecking the pilots' gross income and payments made per vessel, the Pilots Association shall furnish PPA with copies of their billings immediately after they are issued to the shipping companies/agents."

**5. ISSUANCE OF SUPPLEMENTARY REGULATIONS**

As far as practicable, the PDOs/PMOs may promulgate such supplementary local regulation/s adaptable or responsive to the peculiar conditions and requirements obtaining in the port which are necessary to effectively carry out the provisions of this Order, provided that said local regulations are not contrary to or inconsistent with any provisions of this Order.

**6. REPEALING CLAUSE**

Any provision of existing PPA rules and regulations which are inconsistent herewith shall be deemed amended or modified accordingly.

**7. EFFECTIVITY**

This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

(Sgd.) **JUAN O. PEÑA**  
General Manager

*Published in the Philippine Star - July 29, 2000*

***Effectivity Date - August 13, 2000***

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**March 13, 2009**

**MEMORANDUM**

**TO : All District/Port Managers**  
**FROM : The AGM for Operations**  
**SUBJECT : 10% Government Share from Pilotage Services**

This refers to our 09 March 2009 Memo to your end on the implementation of the direct collection of 10% government share from pilotage services.

In this regard, please be informed that the pilotage services required to be performed by the pilots in each pilotage district are prescribed under Section 2 of PPA A.O. No. 04-2003 (See Port Rules and Regulations 2003 page 145). Additionally, please be guided by PPA unnumbered Memo dated 20 December 2004 clarifying Section 6.3 of the above regulation on the payment of premium fee during nighttime, Sunday or holiday.

For your guidance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**

Enclosure: 1) PPA unnumbered Memo dated 20 Dec. 2004.



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December 20, 2004

**MEMORANDUM**

**TO :** All PDOs/PMOs, Shipping Companies/Agents  
Harbor Pilots' Association and Others Concerned

**SUBJECT :** FURTHER CLARIFYING PARAGRAPH 2, SECTION 6.3 OF  
PPA ADMINISTRATIVE ORDER NO. 04-2003 ENTITLED  
"GUIDELINES ON THE PILOTAGE SERVICES TO BE  
RENDERED IN ALL PORTS AND THE CORRESPONDING FEES  
THEREFORE"

To ensure a more effective and uniform implementation of Section 6.3 of PPA Administrative Order No. 04-2003 (See Port Rules and Regulations 2003 page 145), the following guidelines, illustrated by specific examples shall further clarify the 29 March 2004 Memorandum issued by the Authority on the payment of premium during nighttime, Sunday or holiday:

1. As defined in PPA A.O. No. 04-2003, premium shall mean an additional charge for regular service performed between 1800H and 0600H (nighttime) or on Sunday or holiday.
2. In maritime practice, nighttime shall start from 1800H of a calendar day to 0600H of the next immediate calendar day. As such, it shall be considered as one (1) continuous nighttime period although it covers two (2) different calendar dates.
3. For service rendered to a vessel between 1800H to 0600H on a regular day (Monday to Saturday), a premium shall be charged by the pilots based on only one (1) regular service, regardless of how many movements have been rendered to the vessel.

Examples:

3.1	Channeling In	2200H	04 August 2004	Wednesday nighttime
	Docking	0100H	05 August 2004	Thurs. but Wed. nighttime continuation
	Undocking	0700H	16 August 2004	Monday
	Channeling Out	1000H	16 August 2004	Monday
3.2	Docking	0800H	07 September 2004	Tuesday
	Shifting	1000H	07 September 2004	Tuesday
	Undocking	2000H	07 September 2004	Tuesday nighttime
3.3	Conduction	1000H	07 September 2004	Tuesday
	Docking	1200H	07 September 2004	Tuesday
	Undocking	0500H	08 September 2004	Wed. but Tues. nighttime continuation
3.4	Docking	1900H	07 September 2004	Tuesday nighttime
	Undocking	0500H	08 September 2004	Wed. but Tues. nighttime continuation

4. For service rendered to a vessel during daytime on a Sunday or holiday, a premium shall be charged by the pilots based on only one (1) regular service regardless of how many movements have been rendered to the vessel.

Examples:

4.1	Docking	0800H	12 June 2004	Saturday Holiday daytime
	Undocking	1600H	12 June 2004	Saturday Holiday daytime
4.2	Docking	0800H	05 September 2004	Sunday daytime
	Shifting	1000H	05 September 2004	Sunday daytime
	Undocking	1500H	05 September 2004	Sunday daytime
4.3	Conduction	0700H	05 September 2004	Sunday daytime
	Docking	0900H	05 September 2004	Sunday daytime
	Undocking	1500H	05 September 2004	Sunday daytime

5. For service performed to a vessel during nighttime on a Sunday or holiday, a premium shall be charged by the pilots based on only one (1) regular service, regardless of how many movements have been rendered to the vessel.

Examples:

5.1	Conduction	1800H	22 August 2004	Sunday nighttime
	Docking	2000H	22 August 2004	Sunday nighttime
	Undocking	2300H	22 August 2004	Sunday nighttime
5.2	Docking	1500H	07 August 2004	Saturday
	Undocking	0500H	09 August 2004	Mon. but Sun. nighttime continuation
5.3	Shifting In	1800H	05 September 2004	Sunday nighttime
	Docking	1900H	05 September 2004	Sunday nighttime
	Undocking	0400H	06 September 2004	Mon. but Sun. nighttime continuation
	Shifting Out	0600H	06 September 2004	Mon. but Sun. nighttime continuation
5.4	Docking	0900H	04 September 2004	Saturday
	Undocking	1900H	05 September 2004	Sunday nighttime
5.5	Docking	1800H	05 September 2004	Sunday nighttime
	Undocking	0400H	06 September 2004	Mon. but Sun. nighttime continuation

6. For service rendered to a vessel during nighttime on a regular day and during daytime on a Sunday or holiday, the pilots shall be entitled to two (2) premiums regardless of how many movements have been rendered to the vessel.

Examples:

6.1	Docking	0800H	12 June 2004	Saturday Holiday daytime
	Undocking	2100H	14 June 2004	Monday nighttime
6.2	Docking	0400H	12 September 2004	Sun. but Sat. nighttime continuation
	Undocking	1400H	12 September 2004	Sunday daytime

6.3	Channeling In	2200H	18 September 2004	Saturday nighttime
	Docking	0100H	19 September 2004	Sun. but Sat. nighttime continuation
	Undocking	1200H	19 September 2004	Sunday daytime
	Channeling Out	1500H	19 September 2004	Sunday daytime
6.4	Shifting In	0700H	19 September 2004	Sunday daytime
	Docking	0900H	19 September 2004	Sunday daytime
	Undocking	2200H	20 September 2004	Monday nighttime
	Shifting Out	0100H	21 September 2004	Tues. but Mon. nighttime continuation

7. For service rendered to a vessel during nighttime and during daytime on a Sunday/Holiday or holiday/holiday, the pilots shall be entitled to two (2) premiums regardless of how many movements have been rendered to the vessel.

Examples

7.1	Shifting In	2300H	01 January 2004	Thursday (New Year) holiday nighttime
	Docking	0200H	02 January 2004	Fri. (declared holiday) but Thurs, holiday nighttime continuation
	Undocking	1500H	02 January 2004	Friday (declared holiday) daytime
	Shifting Out	1700H	02 January 2004	Friday (declared holiday) daytime
7.2	Channeling In	2200H	10 April 2004	Sat. (Black Saturday) holiday nighttime
	Docking	0100H	11 April 2004	Sun. holiday but Sat. nighttime holiday continuation
	Undocking	1200H	18 April 2004	Sunday holiday daytime
	Channeling Out	1500H	18 April 2004	Sunday holiday daytime

8. For service rendered to a vessel consisting of two (2) different nighttime periods during regular days, the pilots shall be entitled to two (2) premiums regardless of how many movements have been rendered to the vessel.

Examples

8.1	Docking	0500H	17 August 2004	Tues. but Mon. nighttime continuation
	Undocking	1900H	17 August 2004	Tuesday nighttime
8.2	Channeling In	2300H	26 August 2004	Thursday nighttime
	Docking	0100H	27 August 2004	Fri. but Thurs. nighttime continuation
	Undocking	1800H	27 August 2004	Friday nighttime
	Channeling Out	2000H	27 August 2004	Friday nighttime

The above clarifications shall be effective 16 December 2003, the effectivity date of PPA Administrative Order No. 04-2003.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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June 25, 2009

**PPA OPERATIONS MEMORANDUM CIRCULAR**  
**NO. 05 - 2009**

**TO :** All District Managers/Port Managers  
AISL/PSAA/FSA/PISA/PLSA/Shipping Lines/Agents  
UHPAP/Pilot Associations/Harbor Pilots  
And Others Concerned

**SUBJECT :** Continued Collection of the Ten Percent (10%)  
Government Share from Pilotage Services

This is in reference to the nationwide implementation being undertaken by the PDOs/PMOs for the direct collection of the Ten (10%) Government Share from pilotage services. Relative thereto, the attention of all concerned is invited to the Office of the Government Corporate Counsel (OGCC) Opinion dated 02 June 2009, copy attached, on the query whether or not PPA can continue to collect the government share on pilotage fee despite the adverse decision of the Regional Trial Court (RTC) in Civil Case No. 02-104716 entitled "United Harbor Pilots Association of the Philippines vs. PPA".

The OGCC is of the considered view that PPA can still collect government share on pilotage fees despite the adverse RTC decision. The RTC ruling has not yet become final and executory, with the appeal seasonably filed by PPA. The decision of the RTC in favor of the pilots does not yet bind PPA and the Court of Appeals Decision dated 29 July 2008, setting aside the injunctive writ issued by the RTC, still controls the relationship of the parties with respect to the fees. It may be noted that said Court of Appeals Decision effectively quashing the injunctive writ has not been appealed by UHPAP and thus remains. The Supreme Court Resolution dated 04 March 2009 has declared said Court of Appeals Decision as final and executory.

In sum, the Office of the Government Corporate Counsel (OGCC) is of the considered view that PPA can continue to collect the government share on pilotage fees while awaiting a final and executory judgement on the matter in Civil Case No. 02-104716.

In view of this favorable development, all PDOs/PMOs and others concerned are hereby advised that the PPA collection of the Ten Percent (10%) Government Share on Pilotage Services prior to issuance of the Vessel Departure Clearance shall be maintained and continued in all ports nationwide. The operating guidelines as prescribed in the attached 01 April 2009 PPA Memorandum entitled "Collection of Ten Percent Government Share From Pilotage Services" shall also be strictly observed by all concerned.

For guidance and strict compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
Assistant General Manager for Operations

---

Republic of the Philippines  
Department of Justice  
Office of the Government Corporate Counsel  
3<sup>rd</sup> Floor MWSS Administration Building, Katipunan Road  
Balara, Quezon City

2 June 2009

**ATTY. DAVID R. SIMON**  
**Manager, Legal Services Department**  
**PHILIPPINE PORTS AUTHORITY**  
**Bonfacio Drive, South Harbor,**  
**Port Area, Manila**

RE: Whether or Not PPA Can Continue to Collect the Government Share on Pilotage Fee Despite the Adverse Decision of the Regional Trial Court in the Civil Case No. 02-104716 entitled "*United Harbor Pilots Association of the Philippines vs. PPA*"

Sir:

This refers to your letter dated 15 May 2009 requesting our legal advise on whether Philippine Ports Authority (PPA) can continue collecting the ten percent (10%) government share on pilotage fee from the United Harbor Pilots Association of the Philippines (UHPAP).

By the way of background, the United Harbor Pilots Association of the Philippines (UHPAP) filed a case against PPA, questioning the validity of the imposition and collection by the latter of the ten percent (10%) government share on pilotage fees. The case was docketed as Civil Case No. 02-104716 and entitled "United Harbor Pilots Association of the Philippines (UHPAP) v. PPA" was filed before the Regional Trial Court of Manila, Branch 22. During the pendency of the case, the RTC in its Order dated 25 July 2007 issued a writ of preliminary injunction enjoining PPA from collecting the assailed government share. Thus, PPA filed a petition for certiorari before the Court of Appeals questioning the Order dated 25 July 2007 of the RTC granting the injunctive writ. In a Resolution dated 29 July 2008, the Court of Appeals reversed and set aside the Order dated 25 July 2007 of the RTC. The Court of Appeals Resolution effectively quashed the injunctive writ issued in favor of the UHPAP. UHPAP did not appeal the resolution of the Court of Appeals and instead waited for the decision on the merits of case of the RTC.

PPA, in the meantime, continued to collect the assailed government share. However, on 20 February 2009, a decision was rendered by the RTC in favor of UHPAP declaring null and void the imposition of the ten percent (10%) government share on pilotage fees. PPA filed a notice of appeal, but is still awaiting the order granting the appeal and elevating the records to the Court of Appeals. Meanwhile, PPA received several letters from the different members of the UHPAP demanding that PPA refrain from collecting the questioned government share pursuant to the decision of the RTC.

Hence, this query.

It is our considered view that PPA can still collect the government share on pilotage fees despite the adverse decision of the RTC on the matter. The decision of the RTC has not yet become final and executory,

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with the appeal seasonably filed by PPA. In the case of *VLASON ENTERPRISES CORPORATION, v. COURT OF APPEALS and DURAPROOF SERVICES*, the Supreme Court held:

“Section 1 of Rule 39 provides that execution shall issue only upon a judgement that finally disposes of the action or proceeding. Such execution shall issue as a matter of right upon the expiration of the period to appeal it, if no appeal has been duly perfected. **In the present case, however, we have already shown that the trial court’s Decision has not become final and executory against petitioner. In fact, the judgment does not even bind it.** Obviously, Respondent Court committed serious reversible errors when it allowed the execution of the said judgment against petitioner.”  
(Bold Supplied)

Corollary to the aforequoted jurisprudence, the decision of the RTC in favor of the pilots does not yet bind PPA. We share your view that the Decision of the Court of Appeals dated 29 July 2008, setting aside the injunctive writ issued by the RTC, still controls the relationship of the parties with respect to the collection of the fees. Notably, the decision of the Court of Appeals effectively quashing the injunctive writ has not been appealed and thus remains. A copy of the Supreme Court Resolution dated 4 March 2009 which declares the Court of Appeal’s Decision final and executory is hereto attached for your ready reference.

In sum, it is our considered view that PPA can continue to collect the government share on the pilotage fee while awaiting a final and executory judgment on the matter in Civil Case No. 02-104716.

Please be guided accordingly.

Very truly yours,

(Sgd.) **ALBERTO C. AGRA**  
Government Corporate Counsel

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BERMUDEZ LAW OFFICE (reg)  
(ATTY. REXILITO B. BERMUDEZ)  
Counsel for Petitioner  
4<sup>th</sup> Floor, 2053 Edison cor Faraday Streets  
Makati City

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134 Amorsolo Street  
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Tel. No. 818-6301 Local 259-261  
Fax No. 813-7554

COURT OF APPEALS (x)  
Ma.Orosa St.  
Ermita, 1000 Manila  
CA-G.R. SP No. 102782

JUDGMENT DIVISION (x)  
JUDICIAL RECORDS OFFICE (x)  
Supreme Court, Manila

PUBLIC INFORMATION OFFICE (x)  
Supreme Court, Manila

***Please notify the Court of any change in your address.***  
GR185327. 03/04/09 (62)

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**Republic of the Philippines  
Supreme Court  
Manila**

**SECOND DIVISION**

Sirs/Mesdames:

Quoted hereunder, for your information, is a resolution of this Court dated **04 March 2009**:

G.R. No. 185327 (*United Harbor Pilots Association vs. Philippine Ports Authority [PPA] Board of Directors, et al.*)- The Court resolves to:

1. **NOTE** petitioner's manifestation dated 12 January 2009 that it will forego with the filing of the petition inasmuch as the main case is already deemed submitted for decision per attached Order dated 25 November 2008 of the RTC, Br. 22, Manila, and **GRANT** petitioner's prayer that the petition be considered withdrawn for practical purposes; and

2. **INFORM** the parties that no petition has been filed in this case and that the judgment sought to be reviewed has now become final and executory, and **DECLARE** this case **CLOSED** and **TERMINATED**.

In view of the Resolution dated 14 January 2009 which granted petitioner's motion for extension of time to file the petition, the Court **NOTES WITHOUT ACTION** respondents' motion for leave to file attached opposition to petitioner's motion for additional extension of time to file petition for review, and aforesaid opposition dated 16 January 2009. *Tinga, J., on sabbatical leave.*

WITNESS the Honorable Leonardo A. Quisumbing, Chairperson, Honorable Conchita Carpio Morales, Presbitero J. Velasco, Jr., Arturo D. Brion, and Antonio Eduardo B. Nachura (designated additional member per Special Order No. 571), Members, Second Division, this 4<sup>th</sup> day of March, 2009.

Very truly yours,

(Sgd.) **LUDICHI YASAY-NUNAG**  
Clerk of Court

By:

**MA. LUISA L. LAUREA**  
Asst. Clerk of Court



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**April 01, 2009**

**MEMORANDUM**

**TO :** All District Managers/Port Managers  
UHPAP/Pilot Associations/Harbor Pilots  
AISL/PSAA/FSA/PISA/PLSA/Shipping Lines/Agents  
And Others Concerned

**FROM :** The Assistant General Manager for Operations

**SUBJECT :** Collection of Ten Percent (10%) Government  
Share from Pilotage Services

This is in reference to the ongoing nationwide implementation by the PDOs/PMOs of the direct collection of the Ten (10%) Government Share from pilotage services. Relative thereto, all concerned are hereby directed to strictly observe the following operating guidelines:

1. As basis for billing regular pilotage services, all PMOs/Harbor Pilots/Shipping Lines shall be guided by PPA Administrative Order No. 04-2003 dated 21 November 2003 (Guidelines On The Pilotage Services To Be Rendered In All Ports And The Corresponding Fees Therefor), particularly on the required pilotage services for entering and leaving a port as specifically listed under Section 2, and on the applicable EO 1088 rates under Section 5 thereof.
2. As basis for billing "special services" or those pilotage services not required in a particular port but may be requested by the Master or vessel's Agent, all PMOs/Harbor Pilots/Shipping Lines shall be guided by Section 3 of PPA AO 04-2003 (See Port Rules and Regulations 2003 page 145). Moreover, Section 5.3 of PPA AO 04-2003 prescribes a uniform fee of 100% of the EO 1088 rates for each special service by the Harbor Pilot, as requested by shipping.
3. As basis for billing "premium fees" for pilotage services rendered during nighttime, Sunday or holiday, all PMOs/Harbor Pilots/Shipping Lines shall be guided by the unnumbered PPA Memorandum dated 20 December 2004 entitled "Further Clarifying Paragraph 2, Section 6.3 Of PPA Administrative Order No. 04-2003".
4. In view of PPA's implementation of its direct collection system, all Shipping Lines/Agents are hereby directed to pay the 10% government share on pilotage services to the PMO concerned, prior to issuance of vessel Departure Clearance.

On the basis of the vessel's arrival information, ETA/ETD and other related data on pilotage movements, the PMO shall compute the regular pilotage fees, special pilotage service fees and premium pilotage fees that are applicable under existing port regulations, and shall collect the total 10% government share corresponding to all pilotage services.

Immediately after vessel departure and upon receipt of actual vessel movements, the PMO shall recheck the actual pilotage services rendered and the correct government share that should be collected, and make additional billing to the shipping line for deficiencies, if any.

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5. Considering that the 10% pilotage government share is now directly paid by shipping to PPA, all Pilot Associations/Harbor Pilots are hereby directed that only their 90% share on pilotage services shall henceforth be billed and collected from the shipping lines/agents. In view of PPA's direct collection system, all Shipping Lines/Agents shall pay only the 90% harbor pilot share on pilotage services to the Pilot Association/Harbor Pilot.
  6. In order to standardize the computation of pilotage fees and facilitate the payment by the shipping lines of the respective government and harbor pilot shares, all PMOs/Harbor Pilots/Shipping Lines shall uniformly use the PPA-prescribed Peso/Dollar Exchange Rate to convert the applicable EO 1088 pilotage rates.
  7. On the propriety of PPA's direct collection of its government share on pilotage services, it is reiterated to all concerned that the Supreme Court held in its 06 March 2008 Decision in G.R. No. 157484 that PPA has sufficient authority to implement the direct collection system. Considering that there is no more legal impediment, the 10% pilotage government share together with payments for vessel charges shall now be collected by the PMOs before granting Departure Clearance to a vessel.

All concerned PDOs/PMOs shall give widest dissemination of these operating guidelines to their respective Harbor Pilots/ Associations and shipping clients.

For guidance and strict compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**

Encl : PPA Administrative Order No. 04-2003  
PPA Memorandum Dated 20 December 2004 (See page\_\_\_)

CC : The General Manager  
The Assistant General Manager for Finance and Administration  
The Manager, Legal Services Department

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October 15, 2009

**PPA ADMINISTRATIVE ORDER**  
**NO. 06 - 2009**

**TO :** All PDOs/PMOs, Shipping Companies,  
Pilots' Association, Port Users and  
All Others Concerned

**SUBJECT :** Regulations on Compulsory Tug Assistance at the Baseport of  
Dumaguete and at Other Government Ports Within the Jurisdiction of  
PMO Dumaguete.

**1. AUTHORITY**

- 1.1 Sections 6 (a) (ii), (iii), (v) and 20 of P.D. 857
- 1.2 Section 12 of PPAA.O. No. 03-85 entitled "Rules and Regulations Governing Pilotage Services, The Conduct of Pilots and Pilotage Fees in Philippine Ports" (See Port Rules and Regulations Vol. 8 page 44)

**2. SCOPE**

This Order shall cover all vessels with 1,000 gross registered tonnage and above (GRT) which dock/undock at the baseport of Dumaguete and at other government ports within the operational jurisdiction of PMO Dumaguete.

**3. OBJECTIVE**

To protect government port facilities and to ensure the safe maneuvering of vessels at the baseport of Dumaguete and at other government ports within operational jurisdiction of PMO Dumaguete, through the use of tugs.

**4. GUIDELINES**

**4.1 Responsibility for Ensuring Availability of Tug Assistance**

The Authority shall provide tug assistance service by authorizing shipping companies or private entities to provide such service on a non-exclusive basis.

**4.2 Permit to Operate Tug Assistance**

- 4.2.1 Only tug operators with a valid Permit to Operate (PTO) issued by PMO-Dumaguete shall be allowed to render tug assistance service, subject to such terms and conditions as it may deem proper, in addition to the requirements of other agencies. The tugboat operator shall provide the equipment needed to render efficient service.
- 4.2.2 Tugboats towing barges/lighters are exempted from the above-required annual permit when utilized solely for their own barges/lighters. Otherwise, the above permit is required when servicing other vessels for purposes of this regulation.

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### 4.3 Table of Tug Requirements

Tug assistance requirements shall be determined on the basis of gross registered tons (GRT) of the vessel and capacity (horsepower-HP) of the tugs in accordance with the following specifications.

VESSEL TONNAGE	NUMBER OF TUGS	TUGBOAT CAPACITY
1,000 - 5,000 GRT	1	500 Hp tug or equivalent
5,001-10,000 GRT	1	700 Hp tug or equivalent
10,001 GRT and above	1	1,000 Hp tug or equivalent

- 4.3.1 Provided, that the Master of a vessel may opt to avail of tug assistance on vessel with less than 1,000 GRT, depending on the prevailing weather condition.
- 4.3.2 Provided further, that vessels with both functional bow and stern side thrusters of sufficient capacity are exempted from the above tug requirements. Vessels with functional bow thrusters only are required to have fifty (50%) percent of the above tug horsepower requirements.
- 4.3.3 Except during inclement weather situation where tug assistance is really necessary, non-propelled vessels such as barges/lighters are likewise exempted from the above requirements. However, they are still required to maintain their own tugboats while at berth in accordance with PPA Memorandum Circular No. 22-86 (See Port Rules and Regulations Vol. 7 page 70)
- 4.3.4 In no case shall any vessel of 1,000 GRT and above, be allowed to dock/undock at the Baseport of Dumaguete without the above specified tug assistance. For other government ports within the jurisdiction of PMO Dumaguete, the same vessel (GRT) tonnage and corresponding tugboat horsepower requirements specified above shall be followed when any of the conditions provided for in Section 12 of PPA AO No. 03-85 necessitating compulsory tug assistance is present.

### 4.4 Rates for Tug Services

Consistent with existing applicable laws, the Authority shall prescribe fees and rates for tug assistance in consultation with port users concerned. In the absence of applicable fees, the rates chargeable shall be those that are mutually agreed upon by the shipping company and the tugboat operators. In case both parties fail to agree, the Authority shall determine the rates.

### 4.5 Liability for Damages to Port Facilities

Any damage caused to port facilities by vessels under tug assistance service shall be the liability of the parties declared at fault, as determined under existing applicable laws.

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**5. SEPARABILITY CLAUSE**

If for any reason, any section or part of these regulations is declared unconstitutional or invalid by competent judicial authority, the declared or invalid section or part thereof shall not affect the other sections or parts to which such declaration or nullity does not apply or relate.

**6. REPEALING CLAUSE**

All PPA orders, rules and regulations, policies, guidelines or circulars which are inconsistent herewith are hereby repealed or amended accordingly.

**7. EFFECTIVITY CLAUSE**

This Order shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - October 27, 2009*

***Effectivity Date - November 11, 2009***

# PORT CHARGES

March 6, 2009

PPA MEMORANDUM CIRCULAR  
NO. 03 - 2009

**TO :** ALL PDO Managers  
PMO Managers  
Shipping Companies  
Shipmasters  
Harbor Pilots  
Port Users  
Others Concerned

**SUBJECT :** Amending Article 3, Section B., Item 3.2.3 of PPA Memorandum Circular (MC) No. 03-95 Re Collection of Applicable Port Charges On Foreign Vessels with Special Permit to Ply Domestic Routes

PPA MC. No. 03-95 (See Port Rules and Regulations Vol. 9 Page 55) was issued to ensure the proper assessment and collection of the port charges under PPA MC No. 07-94 (See Port Rules and Regulations Vol. 6 Page 30). Said MC, provides, among others, appropriate guidelines on what appropriate port charges should be collected on foreign vessels which have been authorized by the Maritime Industry Authority (MARINA), whether permanently or in a temporary basis, to ply domestic routes.

Pursuant to Board Com Resolution No. 2009-1168, to prevent circumvention of the Cabotage Law, and for the purpose of determining the applicable port charges, the following amendments to Article III, Section B, Item 3.2.3 of PPA MC No. 03-95 are hereby prescribed:

“ARTICLE III        Specific Guidelines

Section B.        Dockage

xxx

3.        Other Conditions

xxx

3.2        The imposition of port charges on vessels with status changed from foreign to coastwise or vice-versa, shall be governed by the following guidelines:

xxx

- 
- 3.2.3 For a vessel engaged in international or foreign trade granted special permit to operate coastwise, the special permit issued by MARINA shall be required.

The temporary conversion of said vessel shall be reckoned from the date of effectivity of the special permit issued by MARINA.

*Said foreign vessels granted special permit to ply domestic route by MARINA, shall be levied the applicable foreign port charges (port dues, dockage-at-berth, dockage-at-anchorage) which shall be paid by either the owner, agent, operator or master of the vessel.”*

All other provisions of PPA MC 03-95 which are consistent herewith shall remain binding, effective and enforceable.

This order shall take effect 30 days after its publication in a newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - March 9, 2009*

***Effectivity Date - April 8, 2009***

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**SECRETARY'S CERTIFICATE**

I, **DAVID R. SIMON**, duly designated Secretary of the Board Committee, as created by the Board of Directors of the Philippine Ports Authority (PPA), and having custody of the Board records of the said committee, do hereby certify:

That during the 217th Meeting of the Board Committee held on 26 February 2009 at the Board Room, 6th Floor, PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

**BoardCom Resolution No. 2009-1168**

*“RESOLVED, That on motion duly made and seconded, the following proposed revision of Article 3, Section B, Item 3.2.3 of PPA Memorandum Circular No. 03-95 on the collection of applicable port charges on foreign vessels issued with Special Permit by the Maritime Industry Authority (MARINA) to temporarily ply domestic routes, be, as it is hereby approved, provided that the vessel issued the Special Permit shall be imposed port charges for foreign vessels, subject to publication in a newspaper of general circulation to be effective fifteen (15) days after publication, thus :*

*“ARTICLE III Specific Guidelines*

*Section B. Dockage*

*xxx*

*3. Other Conditions*

*xxx*

*3.2 The imposition of port charges on vessels with status changed from foreign to coastwise or vice-versa, shall be governed the following guidelines:*

*xxx*

*3.2.3 For a vessel engaged in international or foreign trade granted temporary authorization to operate coastwise, the special permit issued by MARINA shall be required.*

*The temporary conversion of said vessel shall be reckoned from the date of effectivity of the special permit issued by MARINA.*



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*Vessels granted special permit by the MARINA, for temporary conversion from foreign to coastwise shall be levied the applicable foreign port charges (port dues, dockage-at-berth, dockage-at-anchorage) which shall be paid by either the owner, agent, operator or master of the vessel."*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 27th day of February 2009, at the above-mentioned address,

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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May 25, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 08 - 2009**

**TO :** All Concerned Port District and Port Managers  
BIMP-EAGA Shipping Operators  
Others Concerned

**SUBJECT :** Unilateral Application of the BIMP-EAGA Uniform Port  
Tariff for Philippines and Brunei Darussalam

The first extension of the Bilateral Arrangement between the Philippines and Brunei on the Common Tariff for Vessels Operating under the BIMP-EAGA Program inked on April 27, 2005 for a period of two (2) years has expired on April 26, 2007.

In the absence of negotiation for the extension of the Arrangement and in connection with the Philippine Ports Authority's desire for Brunei Darussalam to continue to avail of the incentives under the program it used to enjoy the unilateral application of the BIMP-EAGA Uniform Port Tariff for Philippines and Brunei Darussalam sea port services is hereby adopted. The adoption of the unilateral application of a preferential rate would foster the existing harmonious relationship between the Philippines and Brunei.

As such, all vessels carrying the flags of Brunei or plying the BIMP-EAGA route when calling in the Philippines shall be charged the following special port charges against vessels:

Port Dues	-	U.S \$0.040 per GRT per call
Dockage	-	U.S \$0.020 per GRT per calendar day or fraction thereof

Brunei vessels operating under the BIMP-EAGA Program shall secure certifications or accreditation from its authorized government agencies allowing said vessels to ply the trans-EAGA route under the program and to be able to avail themselves of the incentives. The special charges are only applicable when the vessel's last and next ports of call are in the BIMP-EAGA ports. All PPA personnel concerned shall require vessels availing the incentive to present the certifications and documents showing the last and next port of calls prior to extension of the incentives.

For your guidance and implementation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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June 08, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 10 - 2009**

**TO :** The Port District Manager, PDO-Manila/Northern Luzon  
The Port Manager, PMO-South Harbor  
The Officer-In-Charge, MICT  
International Container Terminal Services, Inc. (ICTSI)  
Asian Terminals, Inc. (ATI)  
Association of International Shipping Lines, Inc.(AISL)  
Others Concerned

**SUBJECT :** Adjustment of Conversion Rate Used in the Computation  
of Vessel Charges on Foreign Containerized Cargoes at  
MICT and South Harbor

The existing conversion rate used in the computation of the vessel tariff on foreign containerized cargoes at MICT and South Harbor is Php43.00 per US Dollar.

In view of the depreciation of the Philippine Peso against the U.S Dollar and per agreement between the Manila Port Terminal Operators (ICTSI and ATI) and AISL, the conversion rate used in the computation of the vessel charges shall be adjusted from Php43.00 to Php44.50. Henceforth, the vessel charges at South Harbor and MICT shall continue to be dollar-based but no longer subject to foreign exchange conversion mechanism. Likewise, all succeeding increase adjustments shall be based on the tariff increase mechanism and procedures of the Authority.

Condition nos. 2 to 4 as provided for under PPA Administrative Order No. 02-2006 (See Port Rules and Regulations 2006 Page 82) in the conversion of rates shall continue to be observed.

This Circular shall take effect 15 days after publication in newspaper of general circulation or July 1, 2009.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - June 16, 2009*

**Effectivity Date - July 1, 2009**

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August 11, 2009

**PPA MEMORANDUM ORDER**  
**NO. 47 - 2009**

**TO :** All Port District Managers  
Port Managers  
Port Users  
Others Concerned

**SUBJECT :** Re-imposition of Reduced Export Wharfage Fees for Foreign Containerized Cargoes

The request of Philexport for further reduction of Export Wharfage Fees was approved pursuant to PPA BoardCom Resolution No. 2009-1202. The Board granted a Fifty (50%) percent reduction on the existing Export Wharfage Fees.

The re-imposition of the reduced Export Wharfage Fees shall apply to both government ports and duly registered private ports as shown below:

**For Government Ports:**

20 footer	Php 129.85
35 footer	165.00
40 footer	195.55
45 footer	229.15

**For Duly Registered Private Ports:**

20 footer	Php 64.95
35 footer	82.50
40 footer	97.75
45 footer	114.55

*(The rates applied to private ports shall be one-half (1/2) of the corresponding charge collected at the government port)*

All PMOs shall submit a monthly monitoring report using the attached format to the AGM for Operations, ATTN.: CSD.

This Order shall take effect 30 days after its publication in a newspaper of general circulation until December 31, 2009.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - August 14, 2009*

**Effectivity Date - September 13, 2009**



Monthly Report on Reduced Export Wharfage						
For the Month of _____						
PMO- _____						
Size of Container	No. Of Boxes	New Rate	Amount	Old Rate	Amount	Exporters' Savings
20'						
35'						
40'						
45'						
Prepared by:						



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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Secretary of the Board Committee, as created by the Board of Directors of the Philippine Ports Authority (PPA), and having custody of the Board records of the said committee, do hereby certify:

That during the 222nd Meeting of the Board Committee held on 24 July 2009 at the Board Room, 6th Floor PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

***BoardCom Resolution No. 2009-1202***

*“RESOLVED, That on motion duly made and seconded, the request of Philexport for a further reduction in Export Wharfage Fee on its exports, be, as it is hereby approved by reducing Fifty (50%) percent of the existing Export Wharfage Fees;*

*RESOLVED FURTHER , That the reduced Export Wharfage Fee, be made effective thirty (30) days after the completion of the publication of the implementing circular thereof in a newspaper of general circulation;*

*RESOLVED FURTHER, That the reduced Export Wharfage Fee at (50%) shall continue until 31 December 2009.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 27th day of July 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

# **PORT OPERATIONS**

April 27, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 07 - 2009**

**TO :** All Port District Managers/Port Managers  
Terminal Operators/Cargo Handling Contractors  
Importers/Consignees/Brokers  
COCPEIA Consultants/Representatives  
And Others Concerned

**SUBJECT :** Port Access to COCPEIA Consultants

Please be advised that the Congressional Oversight Committee on Physical Examination of Imported Articles (COCPEIA) has been constituted pursuant to R.A 7650. The basic function of COCPEIA is the monitoring of the examination process over imported articles at the Bureau of Customs (BOC). In the course of the exercise of their monitoring duties, it becomes necessary for the COCPEIA representatives and consultants to be present in areas within seaports and premises under the control and supervision of the Philippine Ports Authority.

In the best interest of the service, all concerned are hereby directed to grant access to the port's Designated Examination Area (DEA) to COCPEIA consultants/representatives for them to exercise their monitoring functions over the BOC physical examination of imported cargoes. Said monitoring activities shall be conducted without adverse effect to the operational efficiency of the port, and existing port regulations, systems and procedures shall be strictly observed.

For guidance and strict compliance.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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June 10, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 11 - 2009**

**TO :** All PDO Managers  
PMO Managers  
Shipping Companies/Agents  
Shipmasters  
Port Users  
Other Concerned

**SUBJECT :** Guidelines for Foreign Vessel Intending to Lay-Up in the Different PPA Administered Ports

**1. AUTHORITY**

- 1.1 Sections 6.a (ii) and 20 of P.D No. 857, as amended.
- 1.2 PPA Administrative Order No. 07-89 (See Port Rules and Regulations Vol 3. Page 65), as amended by PPA Administrative Order No. 08-89 (See Port Rules and Regulations Vol. 3 Page 80).
- 1.3 PPA BoardCom Resolution No. 2009-1169 (See page 201) confirming the function and responsibility of PPA in designating lay-up areas for foreign vessels in the different ports under its jurisdiction.

**2. SCOPE**

This Memorandum Circular shall apply to all foreign vessels due for lay-up in PPA administered lay-up areas and all persons or entities engaged or interested to engage in the vessel lay-up trade.

**3. DEFINITION OF TERMS**

- 3.1 **Laid-up vessels** - Vessels which have been decommissioned or otherwise unemployed and idle while waiting for better business prospects for their operations.
- 3.2 **Lay-up areas** - The areas designated by PPA for vessels that are laid-up. These are identified by the corresponding coordinates in latitude and longitudes.
- 3.3 **Lay-up Agent** - Any person or entity which are holders of Permit to Operate as Lay-up Agent duly authorized by PPA to engage in vessel lay up trade.
- 3.4 **PMO** - Port Management Office

**4. GENERAL PROVISIONS**

- 4.1 **Designated Lay-up Areas** - The lay-up areas duly designated by PPA in the different ports under its jurisdiction shall be used as lay-up areas for foreign and domestic vessels.



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4.2 **Authorization as Lay-up Agent** - All foreign vessels intending to lay-up shall be represented by an agent duly authorized by PPA to engage in vessel lay-up trade.

4.3 **Procedures for Laying-up** – All laid-up foreign vessels shall follow the guidelines prescribed in Article II, Sections 4, 5 and 6 of PPA Administrative Order No. 07-89 otherwise known as Designation of Lay Up Areas for PMOs.

## 5. **SPECIFIC GUIDELINES**

### 5.1 **Filing of Application**

Application for Permit to Operate as lay-up agent shall be filed in the PMO which has jurisdiction over the designated lay-up area where the foreign vessel shall be laid-up.

### 5.2 **Management Competence Requirement**

Applicants for vessel lay-up agent, including its principal officers, must have a minimum of one (1) year experience in maritime-related field.

### 5.3 **Technical Capability Requirement**

The lay-up agent shall have readily-available equipment and facilities, whether owned or leased, such as tugboat, communication equipment and such other equipment and facilities necessary for the effective provision of lay-up services, all in serviceable and ready-line condition.

### 5.4 **Documentary Requirements**

The following documentary requirements of the Authority shall be complied by the applicant:

- a. Letter of Application;
- b. Certified copy of Registration with SEC together with the Articles of Incorporation and By-Laws specifically provided therein the laying up of vessels is one of the entity's nature of business (for Corporation/Partnership);
- c. Certified copy of Registration of Business Name issued by the Department of Trade and Industry reflecting therein that the laying up of vessels is included as one of his/her business interests (for Single Proprietorship);
- d. Certified copy of the latest Audited Financial Statement submitted to BIR;
- e. Certified list of readily-available equipment and facilities together with supporting documents as proof of acquisition thereof;
- f. Company profile with bio-data/resume of Principal Officers/Name of Proprietor indicating their maritime-related experiences.

### 5.5 **Approval and Issuance of Permit to Operate (PTO)**

The PMO shall approve and issue the Permit to Operate as Lay-Up Agent which shall be valid for a period of one (1) year. The PTO shall be renewable upon request of the lay-up agent.

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## **5.6 Performance Bond**

To ensure faithful compliance of the authorized lay-up agent with its obligations, the grantee shall post and submit to the Authority, one (1) month upon execution of the PTO, a Performance Security Bond in the amount of FIVE MILLION PESOS (P5M) in the form of either cash, manager's check, cashier's check, bank guarantee/draft or surety bond, callable upon demand.

## **5.7 Payment of Lay-Up Fee**

A normal lay-up fee of US\$91.00 (plus VAT) per day per foreign vessel regardless of size, shall be charged by the Authority. The authorized lay-up agent shall pay the lay-up fee on a monthly basis payable on the 5th day of the succeeding month. Failure of the lay-up agent to pay the lay-up fee on time shall be subject to interests and penalties in accordance with the existing regulations of PPA.

For payment in Philippine Peso denomination, the Foreign Currency Exchange Rate (FCER) issued by the Commercial Services Department, PPA Head Office (based on the 15-day average of the prescribed Bangko Sentral ng Pilipinas FCER ) prevailing at the time of the issuance of invoice shall be used in determining the peso-value of dollar denominated port charges due PPA.

## **5.8 Other PPA Charges**

Aside from the lay-up rate, the following PPA charges shall likewise be collected:

- 5.8.1 Upon vessel's arrival, port dues of US\$0.081 per GRT per call shall be collected. This is the amount assessed against a vessel engaged in foreign trade based on its total GRT or part thereof, including those engaged in barter trade for each entrance into and departure from a port of entry in the Philippines.
- 5.8.2 An anchorage fee of US\$0.020 per GRT per calendar day or fraction thereof shall also be collected upon arrival of the vessel. This is the amount assessed against a vessel engaged in international or foreign trade, including those engaged in barter trade, that do not berth but drop anchor at a government port while waiting completion of documents processed for lay-up.
- 5.8.3 Upon vessel's departure, an anchorage fee of US\$0.020 per GRT per calendar day or fraction thereof shall be collected. This is the amount assessed against a vessel engaged in international or foreign trade, including those engaged in barter trade, that do not berth but drop anchor at a government port while waiting completion of documents processed for vessel's departure at the anchorage area.

## **6. PENALTIES**

Any person or entity violating the provisions of this Circular or the terms and conditions stipulated in the Accreditation Certificate issued to the lay-up agent shall be subject to the administrative fines and penalties under Section 43 of P.D 857, as amended by Executive Order No. 513 and its implementing regulations.

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**7. SEPARABILITY CLAUSE**

If for any reason, any sections or part of this Circular is deemed invalid by competent Authority, the declared invalid section or part thereof shall not affect the other sections or parts to which such declaration or nullity does not apply or relate.

**8. REPEALING CLAUSE**

Any provision of existing PPA rules and regulations which are inconsistent herewith shall be deemed amended or modified accordingly.

**9. EFFECTIVITY**

This Memorandum Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Philippine Star - June 18, 2009*

***Effectivity Date - July 3, 2009***

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Secretary of the Board Committee, as created by the Board of Directors of the Philippine Ports Authority (PPA), and having custody of the said committee, do hereby certify:

That during the 217th Meeting of the Board Committee held on 26 February 2009 at the Board Room, 6th Floor, PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

*BoardCom Resolution No. 2009-1169*

*“RESOLVED, That on motion duly made and seconded, the PPA’s functions and responsibility of designating lay-up areas for both domestic and foreign vessels in different ports administered by PPA, be, as they are hereby confirmed, and amending for the purpose of PPA Administrative Order No. 07-89 ;*

*RESOLVED FURTHER , That a nominal fee of USD 91.0 per day for foreign vessel regardless of size, be, as it is hereby imposed, subject to publication in a newspaper of general circulation, to be effective immediately after publication thereof;*

*RESOLVED FINALLY, for PPA Management to coordinate with pertinent government offices in the easing up of usual administrative requirements relative to the entry, lay-up and departure of vessels, as well as on the immigration requirements of crew complements.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 26th day of February 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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October 2, 2009

PPA MEMORANDUM CIRCULAR  
NO. 19 - 2009

TO : All PPA Officials/Employees  
And Others Concerned

SUBJECT : Implementation of PPA Quality Management System (QMS)  
On Vessel Entrance and Clearance

Pursuant to Executive Order No. 605 entitled "Institutionalizing the Structure, Mechanism and Standards to Implement the Government Quality Management Programs, Amending for the Purpose Administrative Order No. 161, s.2006," the PPA QMS on above-captioned process is officially implemented with the approved QMS Manuals consisting of the Policy Manual and Procedure Manual.

The Quality Policy Statement, as follows, is hereby adopted, made known and should be understood within PPA, as required by the ISO 9001 Standard:

***"It is the policy of the Philippine Ports Authority to consistently provide and continually improve the quality of its port operations and services in the entrance and clearance of vessels at the Port of Batangas that satisfy the needs of its clients and comply with international and national statutory and regulatory requirements".***

The Port Manager of PMO Batangas is designated as the PMO-Management Representative and shall have responsibilities as contained in the approved QMS Manuals.

All concerned PPA officials and employees are enjoined to comply with the provisions of the QMS Manuals.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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**March 13, 2009**

**PPA SPECIAL ORDER  
NO. 128 - 2009**

**SUBJECT : Transfer of Jurisdiction Over PMO-Dapitan from PDO-Northern Mindanao  
to PDO-Southern Mindanao**

In the exigency of the service and considering the geographical locations of PMO - Dapitan and its terminals, the jurisdiction over the said PMO is hereby transferred from PDO - Northern Mindanao to PDO - Southern Mindanao.

Accordingly, all concerned PPA officials and personnel are hereby directed to effect a smooth turnover of all functional responsibilities, office properties and furniture, equipment, records and other matters inherent to the respective Offices.

This Order shall take effect immediately, and shall remain in force unless revoked or otherwise amended.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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June 18, 2009

**PPA SPECIAL ORDER**  
**NO. 310 - 2009**

**SUBJECT : Transfer of Jurisdiction of Government and Private Ports in the Zamboanga Del Norte from PMO - Ozamiz to PMO - Dapitan**

In the interest of the service and considering the geographical locations of the following government and private ports in the Zamboanga del Norte to PMO - Dapitan, the jurisdiction of the said ports are hereby **transferred from PMO - Ozamiz to PMO - Dapitan**

**Government Ports**

1. Galas Port, Dipolog City
2. Libay, Sibutad, Zamboanga del Norte
3. Tag-lion, Dapitan, Zamboaga del Norte
4. Nabilid, Roxas, Zamboanga del Norte
5. Sindangan, Zamboanga del Norte
6. Liloy, Lamao, Zamboanga del Norte
7. Labason, Zamboanga del Norte
8. Siocon, Zamboanga del Norte
9. Sirawai, Zamboanga del Norte
10. Sibuco, Zamboanga del Norte

**Private Ports**

1. Wilmar Edible Oil Phils., Roxas, Zamboanga del Norte
2. Mindanao Estate Timber Corp., Sindangan, Zamboanga del Norte

This Special Order shall take effect immediately and shall remain in force unless revoked or otherwise amended.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

# **PORT SAFETY AND SECURITY**

January 26, 2009

## **MEMORANDUM**

**TO :** All PDO Managers  
All PMO Managers

**FROM :** The Assistant General Manager for Operations

**SUBJECT :** Guidelines on Movement of Vessels During Heavy Weather

Forwarded herewith for your information and reference is the copy of Memorandum Circular No. 01-09 of the Philippine Coast Guard (PCG), entitled, "Guidelines on Movement of Vessels During Heavy Weather".

Please disseminate information to all concerned.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**



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Department of Transportation and Communications  
**PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS**  
(Headquarters Philippine Coast Guard)  
139 25<sup>th</sup> Street, Port Area  
1018 Manila

MEMORANDUM CIRCULAR)  
NUMBER \_\_\_\_\_ **01-09**)

05 January 2009

GUIDELINES ON MOVEMENT OF VESSELS DURING  
HEAVY WEATHER

I. **AUTHORITY:**

RA 5173 as amended by PD 601

II. **PURPOSE:**

To prescribe policies and procedures in order to enhance maritime safety during the occurrence of tropical depression, storm or typhoon in the Philippine area of responsibility.

III. **APPLICATION:**

This circular shall apply to all vessels operating within the jurisdiction of the Republic of the Philippines.

IV. **EXEMPTIONS:**

- A. Vessels engaged in international trade;
- B. Tugboats purposely used in assisting vessels in docking or undocking to or from berthing piers;
- C. Government-operated vessels used for non-commercial purposes; and
- D. Vessels called upon by the PCG to assist in a specific Search and Rescue operation

V. **DEFINITION OF TERMS:**

- A. **Heavy Weather** - refers to the violent atmospheric conditions of wind and sea such as the occurrence of tropical depression, storm or typhoon.
- B. **MARINA** - Maritime Industry Authority
- C. **PAGASA** - Philippine Atmospheric Geophysical and Astronomical Services Administration
- D. **PCG** - Philippine Coast Guard
- E. **PPA** - Philippine Ports Authority
- F. **Public Storm Warning Signal (PSWS) Nr 1**- declared if winds of 30-60 kph (approximately 16-32 knots) are expected in the locality in at least 36 hours.

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- G. **Public Storm Warning Signal (PSWS) Nr 2** – raised if winds of greater than 60 kph up to 100 kph (approximately 33-54 knots) are expected in the locality in at least 18 hours.
  - H. **Public Storm Warning Signal (PSWS) Nr 3** - raised if winds of greater than 100 kph up to 185 kph (approximately 54-100 knots) are expected in the locality in at least 18 hours.
  - I. **Public Storm Warning Signal (PSWS) Nr 4** – raised if winds of greater than 185 kph (approximately 100 knots and above) are expected in the locality in at least 12 hours.
  - J. **Public Storm Warning Signal (PSWS) Sector** – refers to areas covered by PSWS Nr. 1 or PSWS Nr. 2 and higher which are shown with corresponding color codes as provided in PAGASA website.
  - K. **Route** – as used in this circular, is defined as a way or course, taken or planned to be taken, in navigating from a point of origin to a point of destination, as differentiated from the word “route” used in MARINA issued franchises.
  - L. **Vessel** – under this circular, refers to any ship, watercraft or other conveyances used or capable of being used as means of transportation.

**VI. POLICIES:**

- A. Vessels of 1,000 gross tons or below shall not sail, except to take shelter when PSWS number 1 is hoisted within its point of origin or route or point of destination.
- B. Movement of vessels above 1,000 gross tons is left to the discretion and responsibility of the ship owner and master when PSWS number 1 is hoisted within its point of origin or route or point of destination.
- C. Vessels of any tonnage shall not sail, except to take shelter when PSWS number 2 or higher is hoisted within its point of origin or route or point of destination.
- D. Masters and ship owners of vessels above 1,000 gross tons who are left with the discretion to sail during a storm shall exercise extra precautionary measures and carefully study the possible effect of a storm to the vessel’s voyage with due regard to the forecasted track, wind force and radius of the storm in reference to weather bulletins and Tropical Cyclone Warning for Shipping issued by PAGASA every 0500H, 1100H, 1700H and 2300H.
- E. Vessels sailing for the purpose of taking shelter shall depart without passengers. Cargoes already loaded onboard the vessel may be permitted to remain onboard provided that maximum precautionary measures shall be observed by ensuring that proper lashing and stowage are strictly followed.
- F. It is the decision and responsibility of the Master and ship owner of the vessel to ensure that safety of the ship and crew whenever they decide to take shelter.
- G. Vessels shall not sail when its point of origin or route or point of destination is within an applicable PSWS Sector where it is not allowed to sail (as provided in paragraphs A and C) based on the latest PAGASA weather bulletin.
- H. In no way shall shipowners and Masters of vessels depart from the intent of this circular by violating the objective of the provision hereof on taking shelter.

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- I. Shipowners and Masters shall exercise extra-ordinary diligence required by law for common carriers in ensuring the safety of life and property at sea.

**VII. PROCEDURES:**

- A. Every Master or any person in charge of a vessel, including the shipowner/operator shall consider the safety of life at sea to take precedence at all times.
- B. The Master or any person in charge of a vessel, including the shipowner/operator shall ensure that the latest weather bulletin is obtained and the track of the typhoon and the PSWS Sectors are plotted on the weather chart aboard ship and at the company operations center or office.
- C. When an applicable PSWS number (as provided by Section VI of this circular) is hoisted in the port where a vessel is located or along its route or point of destination, the Master or Patron, when based on his judgment, there is probable danger due to a typhoon, shall prior to the vessel's departure, inform the nearest PCG unit in writing (as maybe applicable), of his decision to take shelter in a safer place or to avoid the path of the storm, attesting therein that the decision to leave port is his, in consultation with the shipowner.
- D. The Master or Patron shall disembark passengers and institute maximum precautionary measures to properly stow and secure cargoes, as prescribed by MARINA, that are already on board before leaving port to take shelter at a safer place. Cargo watches who are tasked to ensure the safe condition of cargoes during the entire voyage/sheltering shall be posted.
- E. If already underway when an applicable PSWS number (as provided by Section VI of this circular) is hoisted in its immediate vicinity, or along its route or destination, the Master or Patron shall take no other option except to take shelter or avoid the path of the storm and promptly inform the shipowner and the nearest Coast Guard unit. Shipowners/operators shall ensure that Masters maintain continuous communications with them and shall immediately report to the Coast Guard the ship's compliance to this circular.
- F. It is the responsibility of the master or patron of the vessel to take all the necessary precautions to avoid danger to his ship and injury to his crew and passenger.
- G. Communication between the vessel and the shipowner/operator shall be maintained at all times during the entire voyage, including vessels that are taking shelter. Communication checks between the vessel and the shipowner/operator shall be conducted at an interval of not more than every 30 minutes. Any failure of communication with the vessel shall be reported immediately by the shipowner/operator to the nearest Coast Guard unit through any available means.

**VIII. RESPONSIBILITIES:**

**A. Director, PCG Action Center:**

1. Coordinate with PAGASA on the availability of weather bulletin every 0500H, 1100H, 1700H and 2300H or whenever weather updates from PAGASA are available and immediately disseminate same through fastest means of communications to all PCG units, prioritizing the areas directly affected or may be affected by the typhoon.
2. Plot in the weather chart the track, forecast position of the typhoon and PSWS Sectors in reference to paragraph 1 hereof.

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3. Immediately advise the Commandant, PCG of any major maritime incident.
  4. Continuously monitor all PCG units and take appropriate action on all reported maritime incidents. Recommend to the Chief, CG Staff the activation of the Crisis Management Committee in case of major incidents.
  5. Perform other tasks as the Commandant, PCG may direct.

**B. PCG District Commanders :**

1. Monitor and promptly obtain the latest weather bulletin through HPCG or PAGASA.
2. Plot in the weather chart the track, forecast position of the typhoon and PSWS Sectors in reference to paragraph 1 hereof
3. Promptly disseminate the latest weather bulletin to all subordinate units.
4. Render situation report (SITREP) to HPCG at intervals as indicated:
  - a. every 6 hours if signal number 1 and 2 are hoisted
  - b. every 3 hours if signal number 3 is hoisted
  - c. every hour if signal number 4 is hoisted

(Note: SITREP to include weather and Maritime Traffic Condition)

5. Monitor distress frequencies (VCF –Channel 16 [156.8 Mhz] and HF 2182 Khz H3E [ AM ] transmission particularly during adverse/heavy weather condition.
6. Perform other duties as the Commandant PCG may direct.

**C. PCG Station/Detachment**

1. Promptly obtain and monitor the latest weather bulletin through the District Headquarters, HPCG or PAGASA.
2. Plot in the weather chart the track, forecast position of the typhoon and PSWS Sectors in reference to paragraph 1 hereof. Display the weather chart in a conspicuous area within the Station/Detachment office for the benefit of those who want to be apprised of the prevailing weather condition.
3. Promptly disseminate the latest weather update to all subordinate units.
4. Render situation report to District Headquarters at interval as indicated:
  - a. every 6 hours if PSWS Nr 1 and 2 are hoisted
  - b. every 3 hours if PSWS Nr. 3 is hoisted
  - c. every hour if PSWS Nr. 4 is hoisted
5. Put on record all notifications from vessels intending to seek shelter.

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6. Monitor distress frequencies (VHF-Channel 16 [156.8 Mhz] and HF 2182 Khz H3E [AM] transmission) particularly during adverse/heavy weather condition.
  7. Perform other tasks as the District Commander and/or the Commandant, PCG may direct.

**D. Shipowners/Operators:**

1. Ensure that all vessels are properly informed of weather updates that are promptly obtained from PAGASA or other available sources to include the PSWS Sectors where typhoon signals are hoisted or may be hoisted.
2. Install weather fax and other weather monitoring equipment as prescribed by MARINA.
3. Disallow Master or Patron from having the vessel depart from port, except for sheltering purposes, when typhoon signal wherein his vessel is not allowed to sail is hoisted or expected to be hoisted within the area of origin or along the route or destination of the vessel.
4. Monitor and maintain communications with their vessel from the time it departed the port until its arrival at the port of destination.
5. When the vessel is already en route to its destination and once an applicable PSWS number, per this circular, is hoisted in its immediate vicinity or along its route or point of destination, order the Master or Patron to seek shelter. Ensure that the Master or Patron maintain continuous communication with them and notify the PCG of the vessel's action to take shelter.
6. Keep track of all weather bulletins or reports for dissemination purposes as well as monitor all their vessels' situation or movement until the typhoon leaves Philippine AOR.
7. Should typhoon signal be lifted by PAGASA, order the Master or Patron to inform the nearest PCG unit of its intent to proceed or continue with her voyage to her destination.
8. Inform the PCG immediately of any unusual incident, such as their vessel being involved in a maritime incident or is missing or have lost contact.
9. Direct Masters to institute maximum precautionary measures to ensure proper stowage and lashing of cargoes, as prescribed by MARINA, before departure and cause the posting of watches to ensure the safe condition of cargoes during the entire voyage/sheltering.
10. Require Masters, Operations Officers or representatives involved in the safe operation of their ships to review/study the Typhoon Evasion or Avoidance Doctrine.

**E. Masters /Patrons:**

1. Obtain and monitor the weather bulletin through PAGASA, company offices and other available sources.
2. Plot the prevailing weather condition, weather forecast and PSWS Sectors on the weather chart
3. Inform the nearest PCG unit of his decision to depart to seek shelter as may be necessary.

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4. Ensure that there are no passengers onboard when departing from port to seek shelter.
  5. Take no other option except to take shelter and immediately inform the shipowner if a PSWS Nr. where his vessel is not allowed to sail as per this circular, is raised while underway. Ensure that they maintain continuous communications with shipowner operators. Notify the PCG of said action.
  6. Institute maximum precautionary measures to ensure proper stowage and lashing of cargoes, as prescribed by MARINA, before departure and cause the posting of watches to ensure the safe condition of cargoes during the entire voyage/sheltering
  7. Review/study the Typhoon Evasion or Avoidance Doctrine
  8. The overall responsibility of ensuring the safety of the ship, its passengers and crew rests with the Master/Patron at all times.

**IX. RESCISSION CLAUSE:**

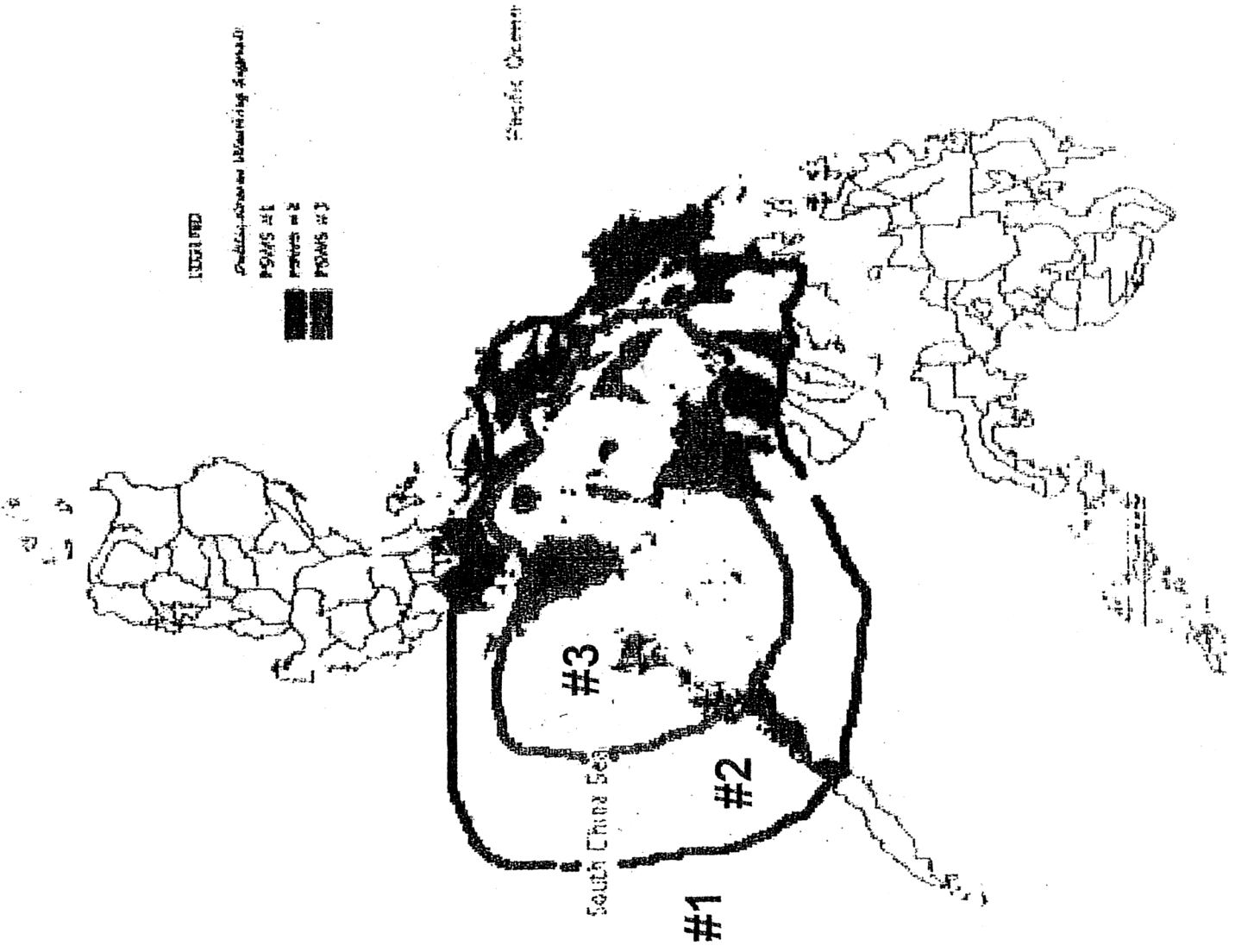
This Memorandum Circular rescinds MC Number 06-08.

**X. EFFECTIVITY:**

This Memorandum Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

(Sgd.) **WILFREDO D. TAMAYO**  
VADM PCG  
Commandant, PCG

# Public Storm Warning Signal Sector



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February 26, 2009

**PPA MEMORANDUM ORDER**  
No. 13 - 2009

**TO :** All PPA Officials and Employees

**SUBJECT :** Supplementary Guidelines on Waste Management and other Environment - Friendly Practices in PPA

In implementation of the provisions of Executive Order No. 774 ("Reorganizing the Presidential Task Force on Climate Change") issued by President Gloria Macapagal-Arroyo last 26 December 2008 and in furtherance to PPA Memorandum Order No. 29-2004 ("Guidelines to Implement the **Solid Waste Management System (SWMS)** in the PPA and Directing its Strict Monitoring and Compliance") issued on 26 October 2004 (See Port Rules and Regulations 2004 Page 97), the following Supplementary Guidelines are hereby prescribed to attain the following targets set under EO No. 774:

1. Immediate practice of proper solid waste management, the most basic form of environmental responsibility, pursuant to Republic Act No. 9003 'The Ecological Solid Waste Management Act of 2000' (Section 1.b.),
2. Reduction of solid waste generation by fifty percent (**50%**) within the next six (6) months thru the full implementation of law on solid waste management (Section 2); and,
3. Reduction by fifty percent (**50%**) the consumption of fossils fuels within two (2) years from the issuance of RA 774 (Section 9.c.).

**A. SANITARY REQUIREMENTS FOR THE SEGREGATION AND STORAGE OF REFUSE/SOLID WASTE**

The minimum standards and requirements for the segregation and storage of refuse/solid waste defined under PPA Memorandum Order No. 29-2004 are hereby reiterated for strict compliance by all Responsibility Centers (RCs).

The Administrative Services Department for Head Office and Resource Management Division of each PDO/PMO shall ensure that color-coded container bins for recyclables and wet garbage are provided for the implementation of the PPA Solid Waste Management System. Reusable box (carton) lined with plastic garbage bag shall be used in accumulating paper/paper products for recycling.

**B. MATRIX FOR SOLID WASTE MANAGEMENT IN PPA**

For proper compliance, each RC must print (poster type size) the Matrix for Solid Waste Management provided under PPA Memorandum Order No. 29-2004 and post it on the wall where the container bins are located for proper guidance of all employees.

It has been observed that employees tend to throw everything in their individual waste can without regard to the rule on waste segregation. For this reason, RC Heads must enjoin all employees to use their individual waste can for dry recyclables only and to throw all wet garbage and paper/paper products into the container bins/boxes provided for these purposes.



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The following should strictly be followed for paper recycling:

1. All paper/paper products for recycling must be stored in reusable box (carton) lined with a plastic garbage bag. Paper products refer to white office paper, computer paper, newspaper, brown corrugated packing boxes, shoeboxes, telephone directories, etc.
2. Both sides of the paper should first be used prior to storing. **Unused side of a paper should be used for routine forms and to paste/attach receipts and supporting documents for liquidation/reimbursement purposes.** To ensure that paper products can be resold, PPA personnel should:
  - 2.1. Remove all staples, fasteners and adhesives;
  - 2.2. Not crumple the paper
  - 2.3. Not mix with carbon paper; and,
  - 2.4. **Not wet or age the paper through direct exposure to sunlight. When yellowish and crispy, paper cannot be recycled.**
3. The box/carton containing the paper recyclables should remain in the room until it is full, after which it shall be the duty of the respective HO RCs'/PDOs'/PMOs' utility personnel to transfer the items to the identified communal storage area. The collected paper recyclables shall then be resold to outside recycling agents in accordance with existing rules and regulations on disposal.

For Head Office, the communal storage area for recyclable paper/paper products is located under the stairs at the ground floor area, Head Office Building. For PDOs/PMOs, the Resource Management Division shall define their respective communal storage area.

### C. REUSE/RECYCLE

Likewise, all RCs must adopt and institutionalize reuse or recycling practices, such as:

1. Establish collection bins for used packaging, envelopes, folders, and other materials that can be reused for inter-office transactions.
2. Reuse folders/envelopes that are still in good condition.
3. Maintain files (hard copies) of important documents only.
4. Produce double-sided documents, whenever possible.
5. Purchase of environmentally friendly goods and/or alternatives must be considered, whenever possible e.g., use mugs instead of disposable paper cups or styrofoam containers.

### D. OTHER ENERGY CONSERVATION AND ECONOMY MEASURES

1. **Unplug all electrical equipments/units** not in use before leaving the office at the end of work/day.
2. Use of **Green Energy Efficient Environmental-friendly Savings (GEES)** light tube and replacement of rapid start electromagnetic ballasts with **preheat type electromagnetic ballasts or electronic ballasts** would reduce operational costs in the long run.

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3. Do not leave taps dripping. Always close them tightly after use. Use glass/mug/water container for your water needs instead of letting water run freely when brushing teeth, washing, or cleaning items.
  4. Install displacement toilet dams in toilet reservoirs. Placing one or two plastic containers filled with stones (not bricks) in the toilet reservoir will displace about 4 liters of water per flush – a huge reduction of water use over the year.
  5. Adopt or share/exchange information on other energy conservation measures.

**E. RESPONSIBILITY**

It shall be the primary responsibility of all RC Heads to ensure that personnel under their jurisdiction strictly implement and adopt the provisions of this Memorandum Order and those of PPA MO No. 29-2004.

PDO and PMO Managers are directed to make representations for the adoption of the PPA SWMS in business establishment within their area of jurisdiction, or at least undertake their own SWMS based on ecologically sound systems of waste management.

**F. REPORTING AND MONITORING**

All RCs are to submit a report every six months showing the average monthly volume of solid waste generated/recycled in their jurisdiction using the attached format in 'Annex A'. The report shall be submitted to the Office of the Assistant General Manager for Operations thru the Port Operations and Services Department (POSD) for consolidation and preparation of PPA-wide Status Report on the PPA SWMS Implementation.

For strict compliance

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

**RC/PDO/PMO**  
**Report on Solid Waste Management System**  
**For the Six-month Period**

	Estimated Weight (in kilogram) Collected/Recycled Waste						Total Weight Previous 6-Mo.	Variance	% Inc. (Dec.)
	Jan / Jul	Feb / Aug	Mar / Sept	Apr / Oct	May / Nov	Jun / Dec			
<b>RECYCLABLE MATERIALS</b>									
Paper/Paper Products									
Plastic Containers									
Other Recyclables									
<b>NON-RECYCLABLE MATERIALS</b>									
Food Waste									
Others									
	<b>Estimated Weight (in kilogram) Collected/Disposed Waste</b>								

COMMENTS/ OBSERVATIONS/ PROBLEMS ENCOUNTERED IN IMPLEMENTATION

Prepared by:

Noted:

RC/PDO/PMO Designated Officer

RC Heads /PDO/PMO Manager

**Basis: Daily Solid Waste Monitoring Report**

RC/PDO/PMO  
 Daily Solid Waste Monitoring Report  
 Month \_\_\_\_\_

		Estimated Weight (in kilogram) Collected/Recycled Waste																																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total		
<b>RECYCLABLE MATERIALS</b>	Paper/Paper Products																																		
	Plastic Containers																																		
	Other Recyclables																																		
		Estimated Weight (in kilogram) Collected/Disposed Waste																																	
<b>NON-RECYCLABLE MATERIALS</b>	Food Waste																																		

COMMENTS/ OBSERVATIONS/ PROBLEMS ENCOUNTERED IN IMPLEMENTATION

Note: 1. Numbers indicated in each column represent the days of the month  
 2. This shall be accomplished by RC/PDO/PMO utility personnel in their daily task of maintaining the cleanliness of the office to be submitted to RC Designated Staff and PDO/PMO General Services Unit for the preparation of the required report (Annex A) every six months.

Prepared by: \_\_\_\_\_ Validated by: \_\_\_\_\_  
 RC/PDO/PMO Utility Personnel RC Designated Staff/ PDO/PMO Chief, GSU 217

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**MALACAÑAN PALACE**  
**Manila**

**EXECUTIVE ORDER NO. 774**

**REORGANIZING THE PRESIDENTIAL TASK FORCE ON CLIMATE CHANGE**

**WHEREAS**, climate change is already impacting adversely on the world;

**WHEREAS**, climate change will have catastrophic effects if immediate and sufficient action to curb industrial emissions and forest loss is not taken;

**WHEREAS**, while our country's remissions remain much lower in per capita terms than those of industrialized nations, our country's recent growth and development have been accompanied by a rise in damaging emissions from fossil fuels.

**WHEREAS**, we should try to help push the mind-set from the present traditional paradigms to economics to the new mindset of conservation, protection and restoration.

**NOW THEREFORE I, GLORIA M. ARROYO**, President of the Philippines, by the powers vested in me by law, do hereby order:

**Section 1. Reorganization.** – (a) The Presidential Task Force on Climate Change (PTFCC) is hereby reorganized. The President of the Philippines shall serve as Chair. All sectors under the President are hereby directed to cooperate with one another toward the fulfillment of the vision and goals of sustainable development.

(b) The Cabinet members shall be members of the Task Force. Their offices shall immediately practice proper solid waste management, the most basic form of environmental responsibility, pursuant to the Solid Waste Act. Every Friday of the week, the President or Presidential Adviser on Climate Change (PACC) shall personally visit government offices, to help in the implementation of the aforesaid discipline. The weekly visits shall continue until it shall be proclaimed that the mindsets have been converted into attitudes and practices by the government offices of Conservation, Protection and Restoration (CPR).

(c) The Presidential Management Staff Appointments Office shall clear the President's schedule on Fridays and devote five (5) hours to concerns and initiatives for environmental security.

**Section 2. Task Group on Solid Waste Management** – (a) The Department of Environment and Natural Resources (DENR) shall lead a Task Group in the implementation of solid waste management. It shall target the reduction of solid waste generation by fifty percent (50%) within the next six months. All local governments are hereby enjoined to fully implement the law on solid waste management. The President or the PACC on Climate Change shall visit the regions, provinces, towns and cities every week until it is proclaimed that the Filipino people shall have fully integrated into the mainstream of their thought their personal environmental responsibilities and thereby effectively implement the Solid Waste Act.

(b) The DENR shall report to the President in person or through the PACC every Friday during the weekly visits to offices and regions to campaign for responsible solid waste management.

(c) With the Department of Health, the Metropolitan Waterworks and Sewerage Systems shall enjoin the private sector, such as sludge excavation contractors and water concessionaires, to undertake a methane recovery program from human and animal waste and convert it into cooking gas and other forms of energy.

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**Section 3. Protected Areas** – After six months of such campaign of solid waste management, the next stage and level of the focused CPR campaign shall be to identify and regenerate the forest lands and protected areas of the islands and seas of the Philippines.

**Section 4. Task Group on Watershed Protection** – (a) within the next six months, the DENR, shall lead a Task Group to undertake a survey and mapping for the protected areas of the country and the needed areas for forest land. Pursuant to the Constitution, these areas shall be clearly marked on the ground. Part of the Two Billion Pesos (P2,000,000.00) allocated for reforestation shall be provided for the delineation and boundary marking of the forest lands within the respective Congressional districts. This preliminary activity shall set the state for the massive restoration and regeneration of said forest lands and protected areas.

(b) Water resources and watersheds shall be immediately identified and protected and their water flow improved and their floral cover regenerated. For this purpose, the fund set aside for the rehabilitation of watersheds under the Electric Power Industry Reform Act shall be made available by the National Power Corporation for forest delineation and reforestation projects.

(c) The DENR, the state universities and colleges (SUCs), particularly their Departments of Biology and Marine Sciences, Department of Science and Technology (DOST), and other scientific institutions shall mobilize the youth to conduct and complete an inventory of the flora and fauna in the terrestrial and marine ecosystems of their respective localities within one hundred and eighty (180) days from this issuance of this Order. Funds for this purpose shall be allocated from the research budgets of the SUCS, the DENR and the DOST

(d) The DENR and the Commission on Higher Education shall report to the PACC the progress of this initiative every Friday of every week until almost all of the flora and fauna have been identified.

**Section 5. Clean Water Conservation.** – With due consultation and proper relocation assistance, all riverbanks and waterways must be cleared of informal structures and obstacles. All waterways must be restored to waters suitable for fisheries and boating within twenty-four (24) months from the issuance hereof.

**Section 6. Task Group on Rainwater Conservation.** - Rainwater collection systems shall be put in place. The DPWH shall lead a Task Group in cooperation with the United Architects of the Philippines to design and implement the efficient rainwater collection and aquifier systems. Demonstration projects shall be in operations within ninety (90) days from issuance of this Order. Plans for scaling them up nationwide, especially in areas highly vulnerable to droughts, shall be presented to the President through the PACC.

**Section 7. Task Group on Water Recycling.** – Water recycling – the prevention, recovery and treatment of used water-shall be placed at the highest priority of survival. For the purpose, the National Water Resources Office, shall lead a Task Group in cooperation with the Local Water Utilities Administration and the water districts, the DTI and manufacturers of irrigation implements and toilet facilities to efficiently use, recover and reuse water. With due consultation and proper relocation assistance, all riverbanks and waterways must be cleared of informal structures and obstacles. All waterways must be restored to waters suitable for fisheries and boating within twenty-four (24) months from the issuance hereof.

**Section 8. Task Group on Atmospheric Activities.** – The DOST shall lead a Task Group to transform the Philippine Atmospheric, Geophysical and Astronomical Administration (PAGASA) into a world-class atmospheric and meteorological facility. For this purpose, a Filipino Scientist Program on Atmospheric Sciences shall be immediately incorporated into the DOST Research and Development Program to attract the best Filipino minds, both your and more senior, both in the Philippines and abroad, to develop the Filipino capability for weather sciences.

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**Section 9. Task Group on Fossil Fuels.** – (a) To reduce the consumption of fossil fuels, the Department of Transportation and Communications (DOTC) shall lead a Task Group to reform the transportation sector. The new paradigm in the movement of men and things must follow a simple principle: “Those who have less in wheels must have more in road.” For this purpose, the system shall favor non-motorized locomotion and collective transportation system (walking, bicycling, and the man-powered mini-train).

(b) The DOTC and the Department of Public Works and Highways (DPWH) shall immediately transform roads using aforesaid principle.

(c) Malacañan Palace and all Cabinet offices are hereby directed to bring down by fifty percent (50%) the consumption of fossil fuels within two (2) years from the issuance of this order.

(d) The PACC shall consult with the biggest consumers and undertake extensive mass media social marketing and mobilization campaigns to reduce the consumption of fossil fuels.

(e) The Department of Budget and Management (DBM) shall immediately make available funds from Road Users’ Tax for the purposes stated in this Section.

(f) The Secretaries of the DOTC, DBM and DPWH shall personally report to the President through the PACC every 48 hours on the progress of the initiatives stated in this Section.

(g) The Department of Interior and Local Government (DILG) shall coordinate with local government units and guide them on the plan to transform the locomotion and transportation system to favor parties who have no motorized vehicles.

**Section 10. Task Group on Information.** – (a) The Philippine Information Agency shall lead a Task Group to mobilize the government stations and channels and the private sector media to help make the people understand the threats and risks that the country is facing from climate change and to use the power of mass media and global communications to mobilize the people into positive action.

b) Other government agencies and the entire Filipino people shall be made to understand and enjoined to fully cooperate and perform their respective roles and responsibilities to face climate change. The agencies shall send the PACC a one page weekly report on the advances they have made on this initiative.

**Section 11. Task Group on Fisheries.** – (a) The Department of Agriculture (DA) shall lead a Task Group to conduct a compliance audit of the strategic provisions of the Fisheries Code, particularly on the determination of the maximum sustainable yield, the total catch allowable, and the carrying capacity of our marine ecosystems.

(b) With the DILG, the DA shall conduct massive information, education and communication campaigns with coastal local governments to implement Section 81 of RA 8550, otherwise known as the Fisheries Code, mandating that at least fifteen percent (15% ) of their municipal waters must be devoted to a fish sanctuary.

(c) The local governments of all coastal towns and cities are enjoined to identify and declare their fish sanctuaries not later than six (6) months from the issuance of this Order.

The PACC shall compile the list of complying local governments. They shall be fully assisted in their implementation efforts, should they so desire. Non-compliant local governments shall be sanctioned as appropriate by the DILG.

(d) The DA and DILG Secretaries shall report to the President personally or through the PACC every Friday on the progress of the initiative provided in this Section. They shall act with a sense of urgency.

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**Section 12. Task Group on Agriculture.** – (a) All Agricultural lands shall be immediately identified and delineated with clear boundary markers on the ground. Every effort shall be exerted to cleanse the fields of chemical pollutants, and extend and persuade owners and caretakers to produce nutritious food crops in a sustainable manner.

(b) Public open places space along sidewalks and portions of roads and parking lots, which shall be rendered irrelevant by the mind-shift to non-motorized and collective transportation systems, shall be devoted to productive use through sustainable urban farming. These spaces shall be planted with, among others, nutritious fruit crops, vegetables, spices and medicinal herbs. All persons who live in the city who wish to care for a plot of arable land to plant their vegetables shall be provided a stewardship agreement. This agreement shall bind the holder to sustainably use the land, plant it with food and other plants like nutritious vegetables, fruits, flowers, spices, etc. and receive benefit from its produce.

**Section 13. Task Group on Education.** – The Department of Education shall lead a Task Group to develop the climate change component and incorporate it into the Science curriculum of the schools immediately upon completing. By the opening of the next school year, environmental education must have been incorporated in all levels of the school Science curriculum.

**Section 14. Task Group on Foreign Affairs.** – The Department of Foreign Affairs shall lead a Task Group with the Department of Justice to cooperate with other island nations in exploring legal and meta-legal approaches on how to hold highly carbon dioxide-emitting countries accountable and liable for the climate change damages that are happening and will be happening in this generation and for sustainable development of future generations. Said agencies shall tap the talent of law professors and top-caliber litigation and environmental lawyers in the Philippines, in Asia and in the rest of the world.

**Section 15. Task Group on Renewable Energy.** – The Department of Energy shall lead a Task Group to implement the Renewable Energy Law with dispatch.

**Section 16. Task Group on CPR Economics.** – (a) The National Economic and Development Authority shall lead a Task Group in cooperation with the Department of Trade and Industry (DTI) to promote CPR Economics as a paradigm of economic development. It shall prepare a ten, twenty, thirty (10-20-30) year CPR Economic Action Plan in the line the Principle of Seven Generations, which states that in deliberations today, especially in decisions to use the sources of Life of Land, Air and Water, the impact of decisions of to a horizon of Seven Generations – of the grandchildren of our grandchildren – must be considered.

(b) The Board of Investments and the Department of Finance shall immediately implement a simplified and beneficial Investment Priorities Plan to shift the thrust of the economy from a consumerist economy of wasteful practices to an economy that is based on the sustainable use and conservation of the physical sources and resources of Life.

(c) Responsible eco-tourism shall be a cornerstone of economic activities. As guests and as visitors to our lovely island home, tourists shall be expected to behave properly and obey our laws and be sensitive to our culture and customs.

(d) The Department of Tourism shall develop a program on restorative eco-tourism. It shall seek not only to engage the people to restore the damaged land, forests, rivers and seas of the our country but more importantly it shall seek to restore the connection between man and Nature.

(e) The DOT shall pursue such CPR eco-tourism program focused on the Filipino people as its “target market.”

(f) The Priority Development Assistance Funds of Congressional representatives shall be given priority in facilitating release if the same is aligned towards the pursuit of CPR economics.



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**Section 17. Traditional Medicine.** – Traditional and alternative medicine shall be promoted to address the health and wellness concerns of the Filipino people.

**Section 18. Task Group on Outdoor and Rooftop Structures.** – (a) The DPWH shall lead a Task Group to require all neon and high-wattage lights on billboards and outdoor advertisements along roads and highways to be shut off at 9:00 p.m. Should the owners desire to turn them on after 9:00 p.m., they shall be charged a fee equivalent to their carbon footprint computed according to their wattage consumption. Where the structures are not in compliance with the laws and building regulations, they shall be immediately removed from the rooftops.

(b) In their place, the DPWH shall provide incentive subsidies to the owners to convert said rooftops into urban gardens.

**Section 19. Secretariat.** – a) The PACC shall oversee the execution and implementation of this Order. He shall report directly to the President or to the Executive Secretary (ES) every week, in coordination with the other heads of offices herein mentioned, on the progress of the aforesaid initiatives.

(b) The PACC shall report to the President personally or through the ES every seventy-two (72) hours on the progress of these initiatives.

(c) The office of the PACC and the PTFCC shall be located at the Mabini Hall and shall have access to the Office of the President or the Executive Secretary at all times practicable. The initial funds for the PACC and to reorganize the PTFCC shall come from the Office of the President. The DBM shall mainstream the PACC in the annual appropriations budget. All government agencies are likewise hereby directed to provide and mainstream the cross-cutting environment concerns in their operations, budgets and reports to the President.

**Section 20.** If any section of this Order shall be declared unconstitutional, the other sections or parts hereof shall not thereby be affected

**Section 21.** All orders, circulars, memoranda, rules, regulations and other issuances or parts thereof inconsistent herewith are hereby amended accordingly.

**Section 22.** This EO shall take effect immediately

**DONE** in the City of Manila, this 26th day of December in the year of Our Lord, Two Thousand and Eight.

By the President :

(Sgd.) **GLORIA MACAPAGAL-ARROYO**

(Sgd.) **EDUARDO R. ERMITA**  
Executive Secretary

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April 30, 2009

**PPA OPERATIONS MEMORANDUM CIRCULAR  
NO. 02 - 2009**

**TO :** All Port District Managers/Port Managers  
Shipping Lines/Companies/Agents  
Terminal Operators/Cargo Handlers  
Passengers/Cargo Owners/Port Users  
Harbor Pilots and Others Concerned

**SUBJECT :** Policies and Guidelines Governing Health Measures for Arriving/  
Departing Passengers and Crew from/to International Travels due to  
Influenza A (H1N1) Outbreak

This is in reference to the attached Memorandum Circular No. 02-S2009 dated 28 April 2009 from the Bureau of Quarantine (BOQ) on health measures against the spread of the Influenza A (H1N1) virus. Said Circular defines the policies and prescribes the guidelines for the effective and efficient health screening measures of arriving/departing passengers and crew to prevent, protect, control and mitigate the transmission or spread of said Influenza virus.

In view thereof, all concerned are hereby directed to strictly enforce and implement the health measures prescribed under said BOQ Circular. The PDOs/PMOs and others concerned are hereby directed to implement the following health screening measures, among others:

1. Assist quarantine personnel in seaports in the heightened surveillance of international travelers arriving with Influenza-like Illness (ILI) and to report any cases thereof;
2. Assist quarantine personnel in seaports in conducting health promotion and education activities with regard to the Influenza A (H1N1) virus, in advising arriving passengers/ crew on the importance of the Health Alert Notices (HAN) and if warranted, in the submission of a duly accomplished Health Declaration Checklist to quarantine officials;
3. Ensure that all arriving vessels at seaports of entry are to be boarded first by a Quarantine Medical Officer. It must be emphasized that only after a Free Pratique is issued will other persons be allowed to embark or disembark. Harbor Pilots/ and stevedores/port workers shall only board and work on vessels after ascertaining that a Free Pratique has already been granted;
4. Issuance of direct berthing privileges (Controlled Pratique) shall be on a case-to-case basis or suspended if warranted, depending on the pandemic alert phase of the Influenza A (H1N1) outbreak. If direct berthing is allowed, the Quarantine Medical Officer shall clear the vessel first before boarding by other persons;
5. Vessel Master shall report in advance any case of influenza-like illness, other health emergencies and deaths on board the vessel. The required health declaration documents shall also be properly accomplished and submitted to the Quarantine Medical Officer;

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6. Assist in implementing previously designed and agreed upon quarantine health protocols in handling suspected cases of swine influenza or other infectious diseases.

Kindly take note that the prescribed health screening measures are being adopted in all airports and seaports of entry in the wake of the Influenza A (H1N1) outbreak.

For guidance and immediate compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
Assistant General Manager for Operations

Encl : BOQ Memorandum Circular No. 02-S2009 dated 28 April 2009

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Republic of the Philippines  
Department of Health  
**BUREAU OF QUARANTINE**  
25<sup>th</sup> and A. C. Delgado Streets  
Port Area, Manila

**28 April 2009**

**MEMORANDUM CIRCULAR - NO. 2 S2009**

**TO :** All Quarantine Personnel, Airport and Seaport Authorities;  
Government Agencies at Ports of Entry, Airlines, Shipping, Port Users and  
Others Concerned

**SUBJECT :** **POLICIES AND GUIDELINES GOVERNING HEALTH MEASURES  
FOR ARRIVING/DEPARTING PASSENGERS AND CREW FROM/TO  
INTERNATIONAL TRAVELS DUE TO SWINE INFLUENZA OUTBREAK**

**I. RATIONALE**

As mandated by Republic Act No. 9271 and in pursuit to prevent, protect, mitigate the introduction, transmission or spread of public health emergencies of international concern into the country at our airports/ seaports of entry, the Department of Health through the Bureau of Quarantine, is tasked to promulgate and enforce rules and regulations on health screening measures on arriving/departing passengers and crew.

**II. PURPOSE AND SCOPE**

As mandated by Section 53.1, Part XI of Administrative Order No. 186, series of 2004, otherwise known as the Implementing Rules and Regulations of R.A. 9271, this Circular defines the policies and prescribes the guidelines for effective and efficient health screening measures of arriving/departing passengers and crew to prevent, protect, control, and mitigate the transmission or spread of Swine Influenza.

**III. DEFINITION OF TERMS**

- A. Airport of entry - any airport designated as such by a competent authority of the Philippines on which an aircraft may make its entry into the country.
- B. Seaport of entry - any seaport designated as such by a competent authority of the Philippines on which a sea craft may make its entry into the country.
- C. Health Declaration Checklist - health declaration form to be accomplished by a passenger or crew upon arrival and departure.
- D. Health Alert Notice - card or flyer given to arriving passenger or crew with information of a particular disease and contact data of health authorities.
- E. Public Health Emergency of International Concern - an emergency posing a serious and direct threat to the human population considering the element of seriousness, unexpectedness, potential for spread and travel restriction.

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- F. Thermal Scanner - equipment to measure body temperature at a distance using infra-red sensor
  - G. Pratique - permission for an aircraft/sea craft to enter an airport or seaport, disembark person/s and commence port operation after compliance of health regulations.

#### **IV. POLICY STATEMENT**

##### **A. GENERAL POLICY GUIDELINES**

The Bureau hereby adopts efficient, effective, reliable health screening measures due to the swine influenza outbreak without necessarily impeding restriction to trade, travel, and passengers/crew comfort and safety.

##### **B. OPERATIONAL POLICY GUIDELINES**

###### **INTERNATIONAL TRAVEL**

- a. All quarantine personnel assigned at international airports/seaports are hereby ordered to heighten surveillance on travelers arriving with Influenza-like Illness (ILI). All port authorities, government agencies, airlines, shipping lines are encouraged to report any case/s of ILI.
- b. All quarantine personnel assigned at international airports/seaports are ordered to conduct health promotion and education activities with regard to swine influenza virus through posters, flyers, tarpaulins, public health announcements (PHA) and other I.E.C. material. All port authorities, government agencies, airlines, shipping lines are encouraged to provide assistance in promoting this activity.
- c. All arriving passengers/crew are to be issued Health Alert Notices (HAN). This is to be kept by the passenger/crew for at least ten (10) days in order for them to contact proper health authorities if they need help or assistance on swine influenza. All port authorities, government agencies, airlines, shipping lines are encouraged to advise and instruct all arriving passengers/crew on the importance of HAN.
- d. All arriving passengers/crew are to undergo fever monitoring check thru the use of thermal scanners or forehead thermometers.
- e. All arriving passengers/crew are to submit a duly accomplished Health Declaration Checklist if warranted, depending on the pandemic alert phase of the swine influenza.
- f. Departing passengers/crew are to undergo fever monitoring thru use of thermal scanners or forehead thermometers, if warranted, depending on the pandemic alert phase of the swine influenza.
- g. Departing passengers/crew are to fill-up Health Declaration Checklist, if warranted, depending on the pandemic alert phase of the swine influenza.
- h. All sea craft or vessels arriving at seaports of entry are to be boarded first by a Quarantine Medical Officer. Only after a free pratique is issued will other person/s be allowed to embark or disembark. Direct berthing privileges (Controlled Pratique) issuance shall be on a case to case basis or suspended if warranted, depending on the pandemic alert phase of the swine influenza.

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- i. Aircraft Commanders/Master of Vessel are ordered to report in advance case/s of influenza-like illness, other health emergencies and deaths on board. Health documents (i.e. General Declaration, Maritime Declaration, Manifest, etc.) are to be accomplished and submitted upon to the Duty Quarantine Medical Officer.
  - j. All port authorities, government agencies, airlines, shipping lines, port users are encouraged to assist in implementing previously designed and agreed upon quarantine health protocols in handling suspected case/s of swine influenza or other infectious diseases.

**V. REPEALING CLAUSE:**

All orders, memoranda and or other Bureau of Quarantine issuances in conflict herewith are hereby rescinded, revised, or modified accordingly.

**VI. EFFECTIVITY:**

This Memorandum Circular shall take effect immediately.

For strict compliance.

(Sgd.) **EDGARDO C. SABITSANA, MD, MPH**  
Director IV, CESO III

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June 16, 2009

**OPERATIONS MEMORANDUM CIRCULAR**  
**NO. 03 - 2009**

**TO :** All Port District Managers/Port Managers  
Shipping Lines/Companies/Agents  
Terminal Operators/Cargo Handlers  
Harbor Pilots/Associations and Others Concerned

**SUBJECT :** Guidelines on Direct Berthing Privileges (Controlled Free Pratique) of  
Vessels as Preventive Measure Against Influenza A (H1N1)

In line with health measures against the spread of the Influenza A (H1N1), the PPA Operations Memorandum Circular No. 02-2009 (See page 223) dated 30 April 2009 and Bureau of Quarantine Memorandum Circular No. 02-S2009 (See page 225) dated 28 April 2009 entitled "Policies and Guidelines Governing Health Measures For Arriving/Departing Passengers and Crew From/To International Travels Due To Influenza A (H1N1) Outbreak" are hereby reiterated to all concerned for their strict observance and implementation in ports nationwide. As a health measure, it must be emphasized that all vessels arriving at seaports of entry are to be boarded first by the Quarantine Medical Officer. Only after a Free Pratique is issued will other authorities/parties/persons be allowed to embark or disembark.

Harbor Pilots and stevedores/port workers shall only board and work on vessels after a Free Pratique had already been granted by the Quarantine Medical Officer. Issuance of direct berthing privileges (Controlled Free Pratique) shall be on a case-to-case basis provided it is allowed by the assigned Medical Officer.

The Shipping Line may request for direct berthing using the attached "Controlled Free Pratique" Form (Direct Berthing Request) to be submitted to the Quarantine Medical Officer at least Forty-Eight (48) Hours before vessel's Estimated Time of Arrival (ETA). The request shall be completely and properly accomplished by the Master as well as the Authorized Shipping Representative. It shall be submitted together with the latest "List of Ports of Call" as may be required.

The "Controlled Free Pratique" Form shall be duly approved and signed by the Quarantine Medical Officer to signify that direct berthing is allowed and the Harbor Pilot is cleared to bring in the vessel to its assigned berth. The Ship Agent/Representative shall submit a copy of the Approved "Controlled Free Pratique" to PPA. The incoming vessel shall fly the Quarantine (Yellow) Flag until cleared by the assigned Medical Officer and all quarantine protocols shall still apply.

For guidance and strict compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
Assistant General Manager for Operations

Encl : Controlled Free Pratique Form  
PPA OMC No. 02-2009 dated April 30 2009

**CONTROLLED FREE PRATIQUE**  
**(DIRECT BERTHING REQUEST)**  
 TO BE ACCOMPLISHED AT LEAST 48 HOURS PRIOR TO VESSEL ETA

Date: \_\_\_\_\_

**THE DIRECTOR**  
**Bureau of Quarantine**  
**25th cor. Delgado Sts., Port Area**  
**South Harbor, Manila**

Requesting Controlled Free Pratique for MV \_\_\_\_\_, which will be arriving in the port of: \_\_\_\_\_ on \_\_\_\_\_ Attached is the latest list of its PORTS OF CALL.

The following pre-conditions are met: (Please check box)

- No infectious diseases of international concerns is/are occurring at the port of origin. (SARS, Avian Flu, other emerging diseases)
- There has been no human death on board during the voyage.
- There is no sick person on board nor was there any case of disease of infectious nature during the voyage.
- There has been no deaths or illnesses among captive animals and birds including rodents on board during the voyage.
- The SSCEC is valid.
- The International Card of Vaccination (ICV) of each passenger/crew is valid. (if necessary)

**FOR MASTER OF THE VESSEL:**

**I HEREBY DECLARE** that the following above preconditions in this request are true and correct. I understand that giving false information on this matter is punishable under R.A. 9271 and other applicable Philippine laws.

\_\_\_\_\_  
 Printed Name/Signature/Ship Seal of the Master of the Vessel

**FOR AUTHORIZED AGENT/REPRESENTATIVE OF SHIPPING COMPANIES:**

**I HEREBY DECLARE** that the following above preconditions in this request are true and correct as per latest information relayed thru Telex/Fax/Email from the Master of the Vessel. True Copies are attached herewith. I understand that giving false information on this matter is punishable under R.A. 9271 and other applicable Philippine laws

\_\_\_\_\_  
 Printed Name/Signature  
 Company Name/Address/Contact No.  
 of Authorized Agent Representative.

Received by:		Time:		Date:	
Action Taken	Granted Direct Berthing			To be boarded at Anchorage	
Remarks:					
Note: The Director of Quarantine reserves the right to revoke this request anytime depending on certain condition of public health interest. The vessel shall fly the Quarantine (Yellow) flag until cleared by the assigned Medical Officer. All Quarantine protocol still apply.					



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April 30, 2009

**PPA OPERATIONS MEMORANDUM CIRCULAR**  
**NO. 02 - 2009**

**TO :** All Port District Managers/Port Managers  
Shipping Lines/Companies/Agents  
Terminal Operators/Cargo Handlers  
Passengers/Cargo Owners/Port Users  
Harbor Pilots and Others Concerned

**SUBJECT :** Policies and Guidelines Governing Health Measures for Arriving/  
Departing Passengers and Crew from/to International Travels due to  
Influenza A(H1N1) Outbreak

This is in reference to the attached Memorandum Circular No. 02-S2009 dated 28 April 2009 from the Bureau of Quarantine (BOQ) on health measures against the spread of the Influenza A (H1N1) virus. Said Circular defines the policies and prescribes the guidelines for the effective and efficient health screening measures of arriving/departing passengers and crew to prevent, protect, control and mitigate the transmission or spread of said Influenza virus.

In view thereof, all concerned are hereby directed to strictly enforce and implement the health measures prescribed under said BOQ Circular. The PDOs/PMOs and others concerned are hereby directed to implement the following health screening measures, among others:

1. Assist quarantine personnel in seaports in the heightened surveillance of international travelers arriving with Influenza-like Illness (ILI) and to report any cases thereof;
2. Assist quarantine personnel in seaports in conducting health promotion and education activities with regard to the Influenza A (H1N1) virus, in advising arriving passengers/crew on the importance of the Health Alert Notices (HAN) and if warranted, in the submission of a duly accomplished Health Declaration Checklist to quarantine officials;
3. Ensure that all arriving vessels at seaports of entry are to be boarded first by a Quarantine Medical Officer. It must be emphasized that only after a Free Pratique is issued will other persons be allowed to embark or disembark. Harbor Pilots and stevedores/port workers shall only board and work on vessels after ascertaining that a Free Pratique has already been granted;
4. Issuance of direct berthing privileges (Controlled Pratique) shall be on a case-to-case basis or suspended if warranted, depending on the pandemic alert phase of the Influenza A (H1N1) outbreak. If direct berthing is allowed, the Quarantine Medical Officer shall clear the vessel first before boarding by other persons;
5. Vessel Master shall report in advance any case of influenza-like illness, other health emergencies and deaths on board the vessel. The required health declaration documents shall also be properly accomplished and submitted to the Quarantine Medical Officer;

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6. Assist in implementing previously designed and agreed upon quarantine health protocols in handling suspected cases of swine influenza or other infectious diseases.

Kindly take note that the prescribed health screening measures are being adopted in all airports and seaports of entry in the wake of the Influenza A (H1N1) outbreak.

For guidance and immediate compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
Assistant General Manager for Operations

Encl : BOQ Memorandum Circular No 02-S2009 dated 28 April 2009

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Republic of the Philippines  
Department of Health  
**BUREAU OF QUARANTINE**  
25<sup>th</sup> and A. C. Delgado Streets  
Port Area, Manila

28 April 2009

**MEMORANDUM CIRCULAR NO. 2 S2009**

**TO :** All Quarantine Personnel, Airport and Seaport Authorities; Government Agencies at Ports of Entry, Airlines, Shipping, Port Users and Others Concerned

**SUBJECT :** POLICIES AND GUIDELINES GOVERNING HEALTH MEASURES FOR ARRIVING/DEPARTING PASSENGERS AND CREW FROM/TO INTERNATIONAL TRAVELS DUE TO INFLUENZA A (H1N1) OUTBREAK

**I. RATIONALE**

As mandated by Republic Act No. 9271 and in pursuit to prevent, protect, mitigate the introduction, transmission or spread of public health emergencies of international concern into the country at our airports/seaports of entry, the Department of Health through the Bureau of Quarantine, is tasked to promulgate and enforce rules and regulations on health screening measures on arriving/departing passengers and crew.

**II. PURPOSE AND SCOPE**

As mandated by Section 53.1, Part XI of Administrative Order No. 186, series of 2004, otherwise known as the Implementing Rules and Regulations of R.A. 9271, this Circular defines the policies and prescribes the guidelines for effective and efficient health screening measures of arriving/departing passengers and crew to prevent, protect, control, and mitigate the transmission or spread of Swine Influenza.

**II. DEFINITION OF TERMS**

- A. Airport of entry - any airport designated as such by a competent authority of the Philippines on which an aircraft may make its entry into the country.
- B. Seaport of entry - any seaport designated as such by a competent authority of the Philippines on which a sea craft may make its entry into the country.
- C. Health Declaration Checklist - health declaration form to be accomplished by a passenger or crew upon arrival and departure.
- D. Health Alert Notice - card or flyer given to arriving passenger or crew with information of a particular disease and contact data of health authorities.
- E. Public Health Emergency of International Concern - an emergency posing a serious and direct threat to the human population considering the element of seriousness, unexpectedness, potential for spread and travel restriction.

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- F. **Thermal Scanner** - equipment to measure body temperature at a distance using infra-red sensor
  - G. **Pratique** - permission for an aircraft/sea craft to enter an airport or seaport, disembark person/s and commence port operation after compliance of health regulations.

#### IV. POLICY STATEMENT

##### A. GENERAL POLICY GUIDELINES

The Bureau hereby adopts efficient, effective, reliable health screening measures due to the swine influenza outbreak without necessarily impeding restriction to trade, travel, and passengers/crew comfort and safety.

##### B. OPERATIONAL POLICY GUIDELINES

###### INTERNATIONAL TRAVEL

- a. All quarantine personnel assigned at international airports/seaports are hereby ordered to heighten surveillance on travelers arriving with Influenza-like Illness (ILI). All port authorities, government agencies, airlines, shipping lines are encouraged to report any case/s of ILI.
- b. All quarantine personnel assigned at international airports/seaports are ordered to conduct health promotion and education activities with regard to swine influenza virus through posters, flyers, tarpaulines, public health announcements (PHA) and other I.E.C. material. All port authorities, government agencies, airlines, shipping lines are encouraged to provide assistance in promoting this activity.
- c. All arriving passengers/crew are to be issued Health Alert Notices (HAN). This is to be kept by the passenger/crew for at least ten (10) days in order for them to contact proper health authorities if they need help or assistance on swine influenza. All port authorities, government agencies, airlines, shipping lines are encouraged to advise and instruct all arriving passengers/crew on the importance of HAN.
- d. All arriving passengers/crew are to undergo fever monitoring check thru the use of thermal scanners or forehead thermometers.
- e. All arriving passengers/crew are to submit a duly accomplished Health Declaration Checklist if warranted, depending on the pandemic alert phase of the swine influenza.
- f. Departing passengers/crew are to undergo fever monitoring thru use of thermal scanners or forehead thermometers, if warranted, depending on the pandemic alert phase of the swine influenza.
- g. Departing passengers/crew are to fill-up Health Declaration Checklist, if warranted, depending on the pandemic alert phase of the swine influenza.
- h. All sea craft or vessels arriving at seaports of entry are to be boarded first by a Quarantine Medical Officer. Only after a free pratique is issued will other person/s be allowed to embark or disembark. Direct berthing privileges (Controlled Pratique) issuance shall be on a case to case basis or suspended if warranted, depending on the pandemic alert phase of the swine influenza.

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- i. Aircraft Commanders/Master of Vessel are ordered to report in advance case/s of influenza-line illness, other health emergencies and deaths on board. Health documents (i.e. General Declaration, Maritime Declaration, Manifest, etc.) are to be accomplished and submitted to the Duty Quarantine Medical Officer.
  - j. All port authorities, government agencies, airlines, shipping lines, port users are encouraged to assist in implementing previously designed and agreed quarantine health protocols in handling suspected case/s of swine influenza or other infectious diseases.

**V. REPEALING CLAUSE:**

All orders, memoranda and/or other Bureau of Quarantine issuances in conflict herewith are hereby rescinded, revised, or modified accordingly.

**VI. EFFECTIVITY:**

This Memorandum Circular shall take effect immediately

For strict compliance.

(Sgd.) **EDGARDO C. SABITSANA, MD, MPH**  
Director IV, CESO III

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June 26, 2009

**PPA ADMINISTRATIVE ORDER**  
**NO. 04 - 2009**

**TO :** All Port District Managers, Port Managers, Port Police Division Managers/  
Station Commanders, TMO Manager/Officers-in-Charge, Cargo Handlers,  
Shipping Lines/Agents, Custom Brokers, Shippers, Consignees,  
Truckers/Haulers/Forwarders and Other Port Users Concerned.

**SUBJECT :** Revised General Pass Control System and Access Regulations

**Section I. Authority:**

1. Section 6, par. C, sub-par. B, C, D and E and Section 43, par. A, B and C-13 of PD 857, as supplemented by Executive Order No. 513.
2. PPA Administrative Order No. 13-77, particularly Sections 67, 83, 84 and 85.
3. International Ship and Port Facility Security (ISPS) Code.
4. Book I and Book II of The National Security Programme for Sea Transport and Maritime Infrastructure.

**Section II. Coverage:**

These Regulations cover all vehicles and persons entering the Baseports, Terminal Management Offices (TMO) and other Ports directly under the jurisdiction of all Port Management Offices (PMOs) of the Philippine Ports Authority.

**Section III. Definition of Terms:**

As used in these Guidelines, the following terms shall mean as follows:

1. **Authority** refers to the Philippine Ports Authority or PPA.
2. **Baseport** refers to the port where the administration office of the Port Management Office (PMO) is located.
3. **Crew** refers to any person employed on the ship.
4. **TMO** refers to the port operated and managed by the PMO with area of jurisdiction separate and independent from the Baseport.
5. **Other Port** refers to the port with no existing regular manning requirements that is operated and managed by PMO personnel and with separate jurisdiction from any TMO.

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6. **Vehicle** refers to public or private road vehicles as defined and registered by LTO and issued a valid registration.
  7. **Port User** refers to natural or juridical person with legitimate purpose/business to be in the port.
  8. **Access Pass** refers to either a vehicle pass/sticker or a port user pass/ID duly issued for authorized access to the port.
  9. **Operational Area** refers to that portion of the port where primary port activities, such as shipping, stevedoring, cargo handling/shipping/storing, among others, take place.
  10. **Non-operational Area** refers to that portion of the port where activities indirectly supportive to maritime/port operations are conducted.
  11. **ISPS Code** refers to the International Ship and Port Facility Security Code adopted by the IMO and contracting governments, including the Philippines. To be implemented in all ports servicing vessels engaged in international voyages to enhance maritime security.
  12. **PFSSO** refers to the Port Facility Security Officer responsible for the implementation of security measures in the port.
  13. **Programme** refers to The National Security Programme for Sea Transport and Maritime Infrastructure issued by the DOTC on 07 February 2007.
  14. **Permit to Operate (PTO)** refers to the permit issued by the Port Manager to operators of trucking and other ancillary services in the port.
  15. **PFSP** refers to the approved Port Facility Security Plan being implemented in the port in accordance with the ISPS Code and/or the Programme.
  16. **Security Level 2 (Medium Risk)** – The security level for which appropriate additional protective security measures shall be maintained for a period of time as a result of heightened risk of a security incident.
  17. **Security Level 3 (High Risk)** – The security level for which further specific protective security measures shall be maintained for a limited period of time when a security incident is probable or imminent although it may not be possible to identify the specific target.
  18. **Restricted Area** – an area in the port duly designated and marked as such whose bounds are well defined and where access is generally regulated.

**Section IV. General Guidelines:**

1. These Guidelines shall form part of the security measures included in the Port Facility Security Plan (PFSP) being implemented in all ports.
2. The Port District Office (PDO) shall design, procure and provide their PMOs and TMOs with sufficient number of annual vehicle stickers/passes. A vehicle sticker/pass issued by the PDO shall be valid in all PMOs and Terminals of the District Office subject to regulations of the PMO.

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3. As a matter of policy, no vehicle and/or person shall be allowed to enter the port premises of the PPA unless on legitimate business or purpose related to port operations and with previous permit/pass issued by the Authority.
  4. Any access pass issued in accordance with these Guidelines shall be construed as a mere privilege and not a matter of right and bearers of such access pass, therefore, may still be prohibited to enter any port premises, access pass, particularly in areas designated as restricted areas, for security purposes and especially during the operation of the port at Security Levels 2 and 3 of the PFSP.
  5. Notwithstanding the possession of vehicle sticker or pedestrian pass/ID, physical security check, including the inspection of vehicle, cargo or carry-on baggage/bag or items, shall still be conducted on vehicle and/or person entering the port in accordance with the PFSP as mandated by the Programme and in consonance with the obligation of the government to implement the ISPS Code.
  6. Government personnel holding office inside the port need not secure PPA ID for their entrance thereto if they possess and wear identification cards issued by their respective offices.

If the functions of the government personnel shall require entry to the operational area and other restricted areas of the port, the government personnel shall present an authorization from his unit/agency that he is on official mission.

7. Personnel/employees of private offices located inside the port, like shipping lines, cargo handling and stevedoring contractor and other contractors of the PMO/PDO, shall be required to wear PPA-issued IDs aside from the IDs issued by their respective offices.
8. Government vehicle in red plate may be exempted from the compulsory use of vehicle stickers provided the driver or occupants can present and display their respective IDs issued by the government agencies they are connected with.
9. Public utility vehicles, such as taxis, PUBs, PUJs, vans, tricycles and pedicabs are prohibited from entering the port, except in the areas dedicated for their use or parking. PUBs and PUJs using the Strong Republic Nautical Highways routes are authorized to enter any ferry terminals.
10. Crew members of vessels that are berthed in port shall be exempted from the issuance of Port User's ID, if they possess and/or are actually wearing the IDs issued by their company while going out and entering the port provided that the shipping line or master of the vessel shall submit crewlist. They are not allowed to loiter inside the operational area and their presence therein shall be confined to the immediate vicinity of their vessel only.



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**Section V. Specific Guidelines:**

**1. Types of Passes**

**1.1 Annual Vehicle Sticker/Pass**

This is a decal placed at the right corner of the windshield in the form of celluloid sticker containing the official logo and color of PPA, the year of validity control number and the name and signature of the Port District Manager concerned. The following are the types of Annual Vehicle Stickers/Passes relative to the type of business of the applicant:

- a. Non-cargo/light vehicle
  - Vehicles for ancillary service operators
  - Vehicles of Cargo Handling Operators and other contractors
  - Private Vehicles of personnel/employees of PPA, other government agencies, and private companies with offices inside the port
  - Vehicles of shipping firms/agents
  - Vehicles of shippers and/or consignees
  - Vehicles of other port users with legitimate business/purpose in the port
- b. Cargo vehicle/truck pass
  - Commercial truck owners
  - Trucking/forwarding company owners
  - Shippers/consignees

**1.2 Temporary Vehicle Pass**

This is in printed form where pertinent data are filled up or in the form of cash ticket or its equivalent issued to vehicle with legitimate business in the port but have not been issued annual vehicle sticker. Validity and issuing authority shall be in accordance with the Revised Delegation of Authority.

**1.3 Annual Port User's ID/Pass**

This is in the form of an identification card with the following description and/or information:

- ID size of 3.5 inches x 5 inches
- Color coding (PDO to determine types of color)
- Official logo and color of PPA
- Name of the PMO
- Issuing years
- Control number
- Name, signature and address of bearer
- Name and signature of the Port Manager
- Instructions for proper use of ID
- Validity period of one (1) calendar year, i.e., January to December of every year

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The following are the types of Annual Port Users ID/Pass relative to the type of business of the applicant:

- a. Arrastre/stevedoring officials and employees
- b. Officials/employees of other contractors
- c. Officials/employees of ancillary services operators
- d. Officials/employees of private companies located inside the port
- e. Officials/employees of shipping firms/agents
- f. Shippers and/or consignees
- g. Workers of portering services
- h. Officials/employees of trucking/hauling companies
- i. Other port users with legitimate business/purpose in the port

#### **1.4 Temporary Port User's ID/Pass**

This is in printed form where pertinent data are filled up. Validity is from one (1) day to fifteen (15) days depending on the duration of the business inside the port. This may be issued to the following:

- a. Persons transacting official business with the government agencies and/or private companies with offices inside the port.
- b. Visitors of crew members of vessels, shipping lines or agents and in the case of foreign vessels boarding passes issued by the Bureau of Customs.

### **2. Administrative Fees**

To defray the actual cost of the stickers and identification cards processing, enforcement and administration of pass control system and access regulations, the following fees are hereby prescribed:

2.1	Temporary Port User's ID/Pass	-	P5.00 + 12% VAT
2.2	Temporary Vehicle Pass	-	10.00 + 12% VAT
2.3	Annual Port User's ID/Pass	-	50.00 + 12% VAT
2.4	Annual Vehicle Sticker/Pass (Non-Cargo/Light Vehicle)	-	75.00 + 12% VAT
2.5	Annual Vehicle Sticker/Pass (Cargo Vehicle/Truck)	-	100.00 + 12% VAT

### **3. Processing and Issuance of Vehicle Sticker/Pass**

#### **3.1 Baseports**

The PMO thru the Port Police Division shall be responsible for the processing and issuance of access passes

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### 3.2 TMOs and Other Ports

The TMO thru Port Police at the TMOs/other ports shall be responsible for the processing and issuance of access passes, in close coordination with the Port Police Division of the PMO. Issuance and collection of payment of Temporary Vehicle Pass and Temporary Port User's ID/Pass shall be the responsibility of the Office of the Terminal Managers/OICs.

In the absence of any Port Police Officer in the TMOs/other ports, the TMO Division Managers/OICs shall be responsible for the processing and issuance of access passes, in close coordination with the Port Police Division of the PMO.

### 3.3 Supporting Documents

#### a. Non cargo/light vehicle

- Permit to Operate from PPA
- Authority to represent the firm, as appropriate
- Duly accomplished application form
- LTO Certificate of Registration
- Latest LTO Official Receipt
- PPA Port Police Clearance

#### b. Cargo vehicle/truck

- Permit to Operate Issued by PPA
- Duly accomplished application form
- Authority to represent the firm
- LTO Certificate of Registration
- Latest LTO Official Receipt
- Vehicle Safety Clearance
- PPA Port Police Clearance

#### c. Supporting Documents for Annual Port User's ID/Pass

- Letter request from employer
- Authority to represent the firm
- Duly accomplished application form
- Current Permit to Operate, as appropriate
- Master list of employees duly certified by the employer
- PPA Port Police Clearance
- Two (2) 1-1/2x1-1/2 pictures

## 4. Processing and Issuance of Annual Port User's ID/Pass

4.1 The PMO thru the Port Police Division shall be responsible for the processing and issuance of Port User's ID/Pass at the Baseport. The Office of the Terminal Manager thru port police at the TMO/port, or by the Office of TMO Manager at TMO/port, in the absence of any Port Police assigned thereat.

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- 4.2 All Port User's ID/Pass shall be signed by the Port Manager. However, he may designate his authorized representative to sign for and in his behalf.

**5. Conditions for the Use of the Access Pass**

**5.1 Vehicle Sticker:**

- a. Holder of the pass is subject to Section IV, paragraphs 5 and 6 above.
- b. Vehicle with access pass is not exempted from payment of applicable fees at the designated Pay Parking Area of the port.
- c. Holder of vehicle pass shall park only at designated parking areas.
- d. The vehicle sticker shall be posted at the upper right hand corner of the vehicle's windshield conspicuous enough to be seen by Port Police Officers or any person in Authority.
- e. Pass is strictly non-transferable.
- f. Tampering of access pass shall be prohibited.

**5.2 Port User's ID/Pass**

- a. Holder of the pass is subject to section IV paragraphs 5 and 6 above.
- b. ID/Pass is non-transferable.
- c. ID/Pass shall be laminated and worn/displayed in area/s authorized by the ID's color code.
- d. Tampering of access pass shall be prohibited.
- e. The loss of a Port User's ID shall be reported immediately and replacement thereof shall be effected upon submission of an affidavit of loss and the payment of the amount of the ID/Pass.
- f. Passengers shall always carry their boat tickers for inspection at the gate.
- g. Applicable only at the designated area/s authorized by the ID's color code.

**Section VI. Authority to Issue Additional Specific Guidelines:**

All PMOs are authorized to issue additional specific guidelines necessary to effectively implement these Regulations, taking into account the peculiar situation of each port, subject to existing limitations imposed by higher authorities.

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**Section VII. REPEALING CLAUSE**

All orders, circulars, memoranda and other issuances inconsistent hereof are hereby repealed or amended accordingly.

**Section VIII. EFFECTIVITY**

This Administrative Order shall take effect fifteen (15) days after publication in newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Philippine Star - July 7, 2009*

***Effectivity Date - July 22, 2009***

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July 06, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 12 - 2009**

**TO :** All Port District Managers/Port Managers  
Passenger Terminal Building Operators  
Terminal Operators/Cargo Handlers  
Shipping Companies and Others Concerned

**SUBJECT :** Health Measures to Mitigate the Spread  
of Influenza A (H1N1) in the Port

In the line with the instructions of DOTC Secretary Leandro R. Mendoza to institute public health measures to mitigate the transmission of the Influenza A(H1N1), all PDOs/PMOs, Passenger Terminal Building Operators, Cargo Handlers, Shipping Companies and other service providers operating inside the port are hereby directed to immediately adopt the following health measures:

1. Provide Forehead Thermometer and conduct fever monitoring check at the entrance of the Passenger Terminal Building (PTB) and other strategic offices within the port. An embarking passenger found with fever or flu-like symptoms shall be properly isolated in a designated Holding Area at the PTB.

As far as practicable, the affected passenger shall be referred for further diagnosis and treatment to the nearest medical center. Depending on the situation, said passenger shall also be referred before boarding to the passenger/ferry vessel Medical Doctor.

2. Provide soap and ample water supply in all toilets, washrooms and comfort rooms of the Passenger Terminal Building, Pier/Terminal Office, Billing & Collection Center, One-Stop-Shop Office, Canteen, and other offices/ areas where port users normally converge.
3. Alcohol-based Hand Sanitizer or Hand Cleaner shall be provided by the PTB Operator, Terminal Operator/ Cargo Handler and other service operators if ample supply of water and soap are not available.
4. Maintain utmost cleanliness, sanitation, pest control, good housekeeping and proper ventilation of the PTB, Pier/Terminal Office and various facilities normally used by many passengers and port users transacting business inside the port.
5. In all buildings and offices within port premises, disinfect commonly-touched hard surfaces such as work stations, counter tops, stair railings, door handles and bathroom fixtures by regularly wiping them with household disinfectant.
6. Ensure that all international trade vessels arriving at ports of entry are to be boarded first by the Quarantine Medical Officer. Only after the Free Pratique has been issued will other authorities/persons be allowed to embark/disembark and vessel operation commence.

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7. Assist health/quarantine authorities in conducting promotion and educational activities about the Influenza A (H1N1) through posters, flyers and other public health announcements.
  8. Ensure that suspected cases of the Influenza A (H1N1) are immediately reported and coordinated with local offices of the Bureau of Quarantine or Department of Health for proper medical attention.

For guidance and immediate compliance.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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August 27, 2009

**PPA OPERATIONS MEMORANDUM CIRCULAR**  
**NO. 08 - 2009**

**TO :** All Port District Managers/Port Managers  
Shipping Lines/Companies/Agents  
Terminal Operators/Cargo Handlers  
Harbor Pilots/Associations and Others Concerned

**SUBJECT :** Amendment to the Guidelines on Resumption of Direct Berthing  
Privileges (Controlled Free Pratique)

In line with public health measures against the spread of Influenza A (H1N1), the guidelines on the resumption of direct berthing privileges (Controlled Free Pratique) were prescribed by the Bureau of Quarantine (BOQ) in its Memorandum dated 25 June 2009 and also under PPA Operations Memorandum Circular No. 06-2009 dated 01 July 2009.

Per attached Memorandum dated 26 August 2009 by BOQ Director Dr. Edgardo C. Sabitsana, all harbor pilots, shipping lines and others concerned are hereby advised of the amendment rescinding the requirement that the harbor pilot shall wait and disembark only together with the Quarantine Medical Officer and only after the free pratique is granted. All other prerequisites and conditions prescribed therein shall stand and said amendment shall take effect immediately.

For guidance and immediate compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
Assistant General Manager for Operations

Encl : BOQ Memorandum - dated 26 August 2009



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Republic of the Philippines  
Department of Health  
**BUREAU OF QUARANTINE**  
25<sup>th</sup> and A. C. Delgado Streets  
Port Area, Manila

**MEMORANDUM**

**TO :** ALL CONCERNED

**FROM :** (Sgd.) EDGARDO C. SABITSANA, MD, MPH  
DIRECTOR IV, CESO III

**SUBJECT :** Amendment to Memorandum on the Resumption of Direct Berthing  
(Controlled Free Pratique) for Ocean-Going Merchant Vessel  
Dated 25 June 2009

**Date :** 26 August 2009

**Second Sentence of Item No. 4** of the prerequisites and directives to the Direct Berthing Request (Controlled Free Pratique) Memorandum dated 25 June 2009 which states – “It Is understood that the harbor pilot shall wait and disembark only together with the Quarantine Medical Officer and only after the free pratique is granted” is hereby rescinded.

All other prerequisites, directives and provisions in the said memorandum still stand.

This amendment shall take effect immediately.

For compliance.

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July 01, 2009

**PPA OPERATIONS MEMORANDUM CIRCULAR**  
**NO. 06 - 2009**

**TO :** All Port District Managers/Port Managers  
Shipping Lines/Companies/Agents  
Terminal Operators/Cargo Handlers  
Harbor Pilots/Associations And Others Concerned

**SUBJECT :** Guidelines on Resumption of Direct Berthing  
Privileges (Controlled Free Pratique)

In line with public health measures on the Influenza A (H1N1) and in response to the clamor of shipping lines for screening measures without causing undue delay in port operations, the strict observance and implementation of the attached 25 June 2009 Bureau Of Quarantine (BOQ) Memorandum by Dr. Edgardo C. Sabitsana, BOQ Director, is hereby directed in ports nationwide. Said Memorandum entitled "Resumption Of Direct Berthing (Controlled Free Pratique) For Ocean-Going Merchant Vessel" provides that the Direct Berthing Request (Controlled Free Pratique) shall be granted on a case to case basis under the prerequisites and conditions prescribed therein.

It is emphasized to all concerned that under direct berthing privileges, only vessels with an approved Controlled Free Pratique shall be allowed to enter the port. After the vessel has been granted Controlled Free Pratique, the Harbor Pilot shall conduct pilotage service by bringing in the vessel to her assigned berth. The Harbor Pilot shall take all precautionary measures and is advised not to render pilotage if with fever or influenza-like illness. The incoming vessel shall continue to fly the Quarantine Yellow Flag until cleared by the Quarantine Officer.

Upon docking at its assigned berth, the vessel shall be boarded first by the Quarantine Medical Officer. The Harbor Pilot shall wait and disembark only together with the Quarantine Medical Officer and only after the Free Pratique has been granted. Only then shall other authorities/persons be allowed to embark/disembark after the Free Pratique has been granted. All quarantine protocols shall still apply and suspected cases of the influenza A(H1N1) shall be immediately reported and coordinated with the Bureau of Quarantine.

For guidance and immediate compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
Assistant General Manager for Operations

Enc : BOQ Memorandum dated 25 June 2009

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Republic of the Philippines  
Department of Health  
**BUREAU OF QUARANTINE**  
25<sup>th</sup> and A. C. Delgado Streets  
Port Area, Manila

**MEMORANDUM**

**TO :** ALL CONCERNED

**FROM :** (Sgd.) EDGARDO C. SABITSANA, MD, MPH  
Director IV, CESO III

**SUBJECT :** Resumption of Direct Berthing (Controlled Free Pratique)  
For Ocean-Going Merchant Vessel

**Date :** 25 June 2009

In line with the Bureau's thrust of minimal interference to trade and in response to the clamor of the shipping lines for an efficient way of implementing screening measures without causing undue delay in port operations and taking into consideration public interest;

Wherein ocean-going merchant vessel ordinarily has a crew compliment of 25 -40 persons more or less that can be appropriately handled by the Quarantine Medical Officer at pier-side (berth) with on-going health measures for Influenza A (H1N1).

Direct Berthing Request (Controlled Free Pratique) shall be granted on a case-to-case basis with the following prerequisites and directives:

1. A duly accomplished direct berthing request (Controlled Free Pratique) shall be applied with the Bureau of Quarantine at least Forty-eight (48) hours prior to the arrival of the vessel accompanied by a list of a port of call (Voyage Memo) during the last two (2) weeks;
2. Only vessels with an approved direct berthing request (Controlled Free Pratique) shall be allowed to enter the port. Said Vessel shall fly the yellow flag;
3. At berth, it is understood that the vessel shall be boarded first by the Quarantine Medical Officer. It is emphasized that only after a free pratique is granted will all other persons be allowed to embark or disembark;
4. Harbor pilots are to take the necessary precautionary measures and advised not to render duty if they have fever or influenza-like illness. It is understood that the harbor pilot shall wait and disembark only together with the Quarantine Medical Officer and only after the free pratique is granted;
5. The Master shall report in advance any medical related case/s, emergencies, death on board her vessel. The required maritime health declaration and other health documents shall be accomplished and submitted to the quarantine medical officer;
6. Passenger liners are excluded in this memo and shall follow previous arranged protocol.
7. All government port authorities and agencies are encouraged to assist in implementing this memorandum;
8. The Director of Quarantine reserved the right to revoke direct berthing request anytime depending on certain condition of public health interest.

All orders, memoranda and/or Bureau of Quarantine issuances in conflict herewith are hereby rescinded, revised or modified accordingly.

This memorandum shall take effect on 01 July 2009

For compliance.

# PRIVATE PORT OPERATIONS

March 20, 2009

PPA ADMINISTRATIVE ORDER  
NO. 02 - 2009

TO : All Port District Managers  
Port Managers  
Private Port Owners/Operators  
Others Concerned

SUBJECT : Private Port Fees and Other Related Charges

Pursuant to PPA BoardCom Resolution No. 2009-1165 (See page 252) dated 15 January and 26 February 2009, the following adjustments on the existing port fees on private ports are hereby approved for implementation, to wit:

**1. SCHEDULE OF ADJUSTED FEES**

**A. Privilege Fee**

The privilege fee shall be paid to the Authority upon the issuance of the COR/PTO and every first quarter of every year thereat during the effectivity of the COR/PTO, as specified below:

Classification	Amount
Private Commercial Port	Php 80,000+VAT
Private Non-Commercial Port	30,000+VAT
River Port	15,000+VAT
Marina	15,000+VAT

**B. Permit to Construct Fee**

Classification	Project Cost	Permit to Construct Fee
Private Non-Commercial Port	Below Php 10 million	Php 20,000+VAT
	Php 10 million & above	Php 30,000+ .001 (1/10 of 1% )of the excess of Php 10 million but not to Exceed Php100,000 + VAT
Classification	Project Cost	Permit to Construct Fee
Private Commercial Port	Below Php 10 million	Php 60,000+VAT
	Php 10 million & above	Php 80,000 + .001(1/10 of 1% of the excess of Php10 million but not to exceed Php 100, 000 + VAT

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**C. Surcharge for Late Registration**

Particulars	Penalty Fees
1. Filing of Application for registration more than six (6) months from the effectivity of this Order	Php 50,000
2. Filing of Application for registration one (1) year from the effectivity of this order.	75,000
3. Filing of Application for registration after one (1) year up to two (2) years from the effectivity of this Order.	100,000

**D. Penalty for Failure to Commence Construction within six (6) months from the date of Issuance of the Permit to Construct**

Particulars	Penalty Fees
Failure to commence construction within six (6) months from the issuance of the permit to construct shall be imposed the corresponding penalty charge. <i>(A grace period of another six (6) months shall be given to private port owners to comply after paying the penalty, after which the permit to construct shall be rendered null and void. The applicant shall be required to re-apply and pay the permit to Construct Fee.)</i>	Php 50,000

**2. SCHEDULE OF NEW ADMINISTRATIVE FEES**

Particulars	Amount
Filing Fee	Php 1,000
Change of Name Fee	5,000
Transfer Fee	50,000
Penalty for Constructing without prior clearance from the Authority	100,000

**3 OTHER RELATED FEES**

Government Share on Contractual Cargo Handling Services

Particulars	Amount
For duly registered private commercial port owners who opt to contract out the loading/unloading of cargoes to an independent cargo handling operator (CHO) which must be duly accredited by PPA. <i>(The CHO shall remit to the Authority the corresponding government share from cargo handling operations not later than the 5th day of every month)</i>	10% government share on the annual Gross Revenue of the cargo handling operator (CHO) from domestic cargoes and 20% from foreign cargoes

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All provisions of PPA AO 06-95 inconsistent herewith are modified accordingly.

This Order takes effect thirty (30) days after its publication in a newspaper of general circulation.

**(Sgd.) ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - March 26, 2009*  
**Effectivity Date - April 25, 2009**

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Secretary of the Board Committee, as created by the Board of Directors of the Philippine Ports Authority (PPA), and having custody of the Board records of the said committee, do hereby certify:

That during the 217th Meeting of the Board Committee held on 26 February 2009 at the Board Room, 6th Floor, PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted;

**BoardCom Resolution No. 2009-1165**

*“RESOLVED, That on motion duly made and seconded, and considering that the existing private port fees and other related charges have not been adjusted since 1995, the following adjustment on the existing port fees on private ports, be, as they are hereby approved, subject to publication in newspaper of general circulation, to wit;*

**A. Annual Privilege Fee**

<u>Private Port Classification</u>	<u>(+VAT)</u>
<i>Private Commercial Port</i>	<i>Php 80,000</i>
<i>Private Non-Commercial Port</i>	<i>30,000</i>
<i>Private River Port</i>	<i>15,000</i>
<i>Marina</i>	<i>15,000</i>

**B. Permit to Construct Fee**

<u>Classification</u>	<u>Project Cost</u>	<u>Permit to Construct Fee</u>
<i>Private Commercial Port</i>	<i>Below Php 10 M</i>	<i>Php 60,000 + VAT</i>
	<i>Php 10 million &amp; above</i>	<i>Php 80,000 + .001 (1/10 of 1%) of the excess of Php 10 million but not to exceed Php 100,000 + VAT</i>
<i>Private Non-Commercial Port</i>	<i>Below Php 10 M</i>	<i>Php 20,000 + VAT</i>
	<i>Php 10 Million &amp; above</i>	<i>Php 30,000 +.001 (1/10 of 1%) of the excess of Php 10 million but not to exceed Php 100,000 + VAT</i>

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**C. Surcharge for Late Registration**

<u>Particulars</u>	<u>Penalty Fee</u>
1. Filing of Application for Registraton more than six (6) months from the effectivity of the Order	PHP 50,000
2. Filing of Application for Registration one (1) year from the effectivity of the Order	75,000
3. Filing of Application for Registration after one (1) year up to two (2) years from the effectivity of the order.	100,000

**D. Penalty for Failure to Commence Construction within six (6) months from the date of issuance of the Permit to Construct**

<u>Particulars</u>	<u>Penalty Fee</u>
Failure to commence construction within six (6) months from the issuance of the permit to construct shall be imposed the corresponding penalty charge. (A grace period of another six (6) months shall be given to private port owner/s to comply after paying the penalty after which the permit to construct shall be rendered null and void. The applicant shall be required to re-apply and pay the Permit to Construct Fee).	PHP 50,000

**E. Schedule of New Fees**

<u>Particulars</u>	<u>Amount</u>
Filing Fee	Php 1,000
Change of Name Fee	Php 5,000
Transfer Fee	Php 50,000
Penalty for constructing without prior clearance from the Authority	Php 100,000

**F. Government Share on Contracted Out Cargo Handling Services**

<u>Particulars</u>	<u>Amount</u>
For duly registered private commercial port owner/s who opt to contract out the loading/unloading of cargoes to an independent Cargo Handling Operator (CHO) said CHO must be duly accredited by PPA.	10% government share on the annual Gross Revenue of the Cargo Handling Operator (CHO) from domestic cargoes and 20% from foreign cargoes

RESOLVED FURTHER, That the General Manager, be, as he is hereby authorized, to issue the appropriate implementing administrative order."

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 6th day of March 2009, at the above -mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary



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July 03, 2009

**PPA OPERATIONS MEMORANDUM CIRCULAR**  
**NO. 07 - 2009**

**TO :** All Port District Managers  
Port Managers  
Private Port Owners/Operators  
Others Concerned

**SUBJECT :** Clarifications Re Implementation of Prescribed Fees Under  
PPA Administrative Order No. 02-2009

In order to ensure uniform interpretation and implementation of PPA Administrative Order No. 02-2009 (See page 249) provisions, the following clarifications are hereby issued:

1. The following prescribed fees identified under PPA AO 02-2009 are applicable/enforceable outright to all new/renewal application/s for private port permits filed **after** effectivity of said AO:
  - ▶ Adjusted Fees
    - Privilege Fee
    - Permit to Construct Fee
  - ▶ Administrative Fees
    - Filing Fee
    - Change of Name fee
    - Transfer fee
  - ▶ Penalty Fees
    - Surcharge for Late Registration
    - Penalty for Failure to Commence Construction within six (6) months from the date of issuance of the permit to construct
    - Penalty for Constructing without prior clearance from the Authority
2. Private port owners/operators issued valid private port permits, who have paid the required fees and penalty charges before April 25, 2009, are exempted from the coverage hereof for CY 2009 only.
3. Private port applications, **with complete documentary** requirements duly acknowledged and received prior to April 25, 2009 but **issued** corresponding permit/s thereafter shall be exempted from the payment of the prescribed fees under AO 02-2009 for CY 2009 only.
4. All private commercial ports whose cargo handling services are contracted out to duly accredited CH contractors/operators are covered by the percentage government share contained under Item 2 of said AO 02-2009.

For guidance and compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
Assistant General Manager for Operations

# PROCUREMENT

September 18, 2009

**PPA MEMORANDUM CIRCULAR**

**NO. 17 - 2009**

**TO :** All Prospective Bidders/Applicants  
Head Office, Bids and Awards Committee (BAC)  
PDO's and PMO's BAC  
Others Concerned

**SUBJECT :** Amendment to the Cost of Bidding Documents

Pursuant to Section 17.4 of the Revised Implementing Rules and Regulations of R.A 9184, which took effect on 02 September 2009, "Bidders may be asked to pay for the Bidding Documents to recover the cost of its preparation and development. The BAC shall issue the Bidding Documents upon payment of the corresponding cost thereof to the collecting/disbursing officer of the procuring entity concerned."The amended cost of Bidding Documents to be issued to the prospective bidders for Infrastructure and Consultancy Services Projects are as follows:

Approved Budget for the Contract (ABC)	Amount of Bidding Documents
1. Above P 400M	P 100,000.00
2. Above P 200M up to P400M	P 80,000.00
3. Above P 100M up to P200M	P 70,000.00
4. Above P 40M up to P100M	P 50,000.00
5. Above P 20M up to P 40M	P 30,000.00
6. Below P 20M	P 10,000.00

This memorandum Circular amends all existing PPA issuances on cost of Bidding Documents for Infrastructure and Consultancy Services Projects and shall take effect fifteen (15) days after the completion of its publication in a newspaper of general circulation.

For guidance.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - September 21, 2009*

**Effectivity Date - October 6, 2009**

# **REAL ESTATE MANAGEMENT**

January 13 2009

**PPA MEMORANDUM ORDER**  
**NO. 03 - 2009**

**TO :** The Port District Manager, PDO Manila/Northern Luzon  
The Port Manager, PMO North Harbor  
Head of RCs Concerned

**SUBJECT :** Compromise Rental Rates on Lands at Manila North Harbor

## **1. Authority**

- 1.1. Section 6 a) (iii) of Presidential Decree No. PD 857, as amended
- 1.2. Board Resolution No. 1379 issued on 21 December 1993
- 1.3. BoardCom Resolution No. 2005-986, as adopted and confirmed by Board Resolution No. 2045 on 20 December 2005
- 1.4. BoardCom Resolution No. 2008-1144 as adopted and confirmed by Board Resolution No. 2151 on 25 July 2008
- 1.5. BoardCom Resolution No. 2008-1151, as adopted and confirmed by Board Resolution No. 2158 on 30 September 2008

## **2. Objectives**

This Memorandum Order is issued to expedited and facilitate the collection of dormant rental billings by leveling the playing field among the lessees or tenants at the Manila North Harbor without resorting to lengthy and costly judicial proceedings.

## **3. Coverage**

The compromise rental rates on lands at the Manila North Harbor shall cover all lessees or tenants in Manila North Harbor with limitations as specifically provided in Section 4.2 of this Memorandum Order. Not covered in this order are lessees identified under Section 4.3 hereof.

## **4. Guidelines**

- 4.1. The compromise rental rates adopted under BoardCom Resolution No. 2005-986 (PLSA formula) and adopted for uniform implementation with non-members of the Philippine Liners Shipowners Association as authorized under BoardCom Resolution No. 2008-1151 and adopted and confirmed under Board Resolution No. 2158 for North Harbor lessees or tenants, shall be as follows:

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<b>Year</b>	<b>Rate/sq.m/month</b>
1998	21.00
1999	25.50
2000	32.50
2001	39.50
2002	50.00
2003	55.00
2004	60.50
2005	66.50
2006	70.00
2007	80.00
2008	80.00
2009	80.00

(January to September)  
(to align with the effectivity of the interim rental rate approved in BoardCom Resolution No. 2008-1144 and confirmed in Board Resolution No. 2151)

#### 4.2. Limitations

- 4.2.1. Lessees with valid lease contracts and occupy permits – The provision in their respective contracts/PTOCs should be respected by both parties, however, effective January, 2008, the compromise rental rates shall apply.
- 4.2.2. Negros Navigation Co. (NENACO) leased area – The application of the compromise rental rate shall only be effective April 2004 and thereafter. Rental accounts or arrearages prior to the said effectivity shall be based on the court-approved rehabilitation plan.

#### 4.3. Exceptions

- 4.3.1. Lessees occupying the Slip O Area bounded in the north by the IPB Access Road, in the south by the MICT Access Road, in the east by the R-10 Road, and in the west by the MICT operational area, including the land bounded in the west by Marcos Road, in the south by the IPB Access Road, in the east by the R-10 Road and in the north by the Total Bulk Corporation leased area. – The conditions and rental rates shall be covered by a separate memorandum order or guideline.
  - 4.3.2. Aboitiz Transport System leased area at the Marine Slipway (MSW) – Rental rate and the occupancy of this area is the subject of a pending court case.
- 4.4. As in the PLSA formula, no interest and penalties shall be charged for the arrearages from 1998 to 2008 provided that the North Harbor tenants/lessees comply or undertake the following:
- 4.4.1. Enter into individual compromise agreement with PPA to avail of PLSA-based rental rates within 60 days from written notice.
  - 4.4.2. All arrears or back accounts must be settled fifteen (15) days from execution of the Compromise Agreement.

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- 4.5. Any remitted rental payments in excess of the duly approved compromise rental rates from the applicable effectivity date shall be treated as overpayment/s to be charged against future billings.
- 4.6. Implementing Procedures By PMO North Harbor:
- 4.6.1. Notify officially all lessees or tenants concerned for compliance to the documentary and settlement requirements of this Order.
- 4.6.2. Prepare the Compromise Agreement for execution by the lessees or tenants concerned and indorse the same to the General Manager for approval and execution.
- 4.6.3. Issue the corresponding Permit to Occupy (PTOC) to all lessees who have executed the Compromise Agreement and paid/settled their back accounts on rentals.
- 4.6.4. If the lessee refuses to enter into a compromise agreement, the following courses of action shall be undertaken:
- 4.6.4.1. Cancel privilege to occupy area and issue Notice to Vacate;
- 4.6.4.2. Enforce other sanctions available to PPA, including cancellation of PTO, issuance of Notice of Violation and disqualification to conduct business at PPA ports;
- 4.6.4.3. Recommend the filing of appropriate cases, as necessary; and
- 4.6.4.4. With the assistance of other government agencies concerned, implement ejection of lessee and clearing of area.
- 4.7. The Compromise Agreement to be executed by the lessees/tenants shall be in accordance with the format provided in Annex "A".
- 4.8. Rental Rates from October 2009 to CY 2012
- Rental rates for land in North Harbor from October 2009 to CY 2012 shall be prescribed in a separate memorandum order/circular.

**5. Administrative Sanction**

Any officer or personnel found violating any provisions of these guidelines shall be subject to administrative investigation and filing of administrative charges if prima facie evidence exists.

**6. Repealing Clause**

This Memorandum Order supersedes all orders, circulars, rules and regulations, guidelines or memoranda inconsistent herewith.

**7. Effectivity**

This Memorandum Order shall take effect immediately.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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**COMPROMISE AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

This **COMPROMISE AGREEMENT**, made and entered into this \_\_\_ day of \_\_\_\_\_ in the City of Manila, by and between:

**PHILIPPINE PORTS AUTHORITY (PPA)**, a government instrumentality created by virtue of Presidential Decree No. 857, as amended, with office address at the PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, represented herein by its General Manager, **OSCAR M. SEVILLA**, duly authorized under BoardCom Resolution No. 2008-1151, as confirmed under Board Resolution No. 2158, hereto attached as Annexes "A-1" and "A-2", hereinafter referred to as the **LESSOR**;

-and-

\_\_\_\_\_ duly organized and existing under the laws of the Republic of the Philippines, with office at \_\_\_\_\_ represented herein by its \_\_\_\_\_, by virtue of a Board Resolution as certified through a Secretary's Certificate dated \_\_\_\_\_, marked as Annex "B," hereinafter referred to as the **LESSEE**;

**WHEREAS**, the Republic of the Philippines is the owner of a government land presently denominated as North Harbor and is being administered by the LESSOR pursuant to its mandates under the provisions of Presidential Decree No. 857, as amended;

**WHEREAS**, \_\_\_\_\_ has leased/is leasing an area of PPA at \_\_\_\_\_ North Harbor, Tondo, Manila;

**WHEREAS**, accounts receivables arising from back rentals have accumulated thru the years due to North Harbor lessees' (including LESSEE herein) protests/non-acceptance of the Board approved rental rate increases being imposed thereat;

**WHEREAS**, an extra-judicial settlement of the above dispute would best serve the parties' respective interests, as they would both be saved from the protracted and burdensome intervention of judicial processes. Sec. 10 Chapter 3 Book VII of the Adm. Code of 1987 thus provides:

"Sec. 10 Compromise and Arbitration – To expedite administrative proceedings involving conflicting rights or claims and obviate expensive litigations, every agency shall, in the public interest, encourage amicable settlement compromise and arbitration."

**WHEREAS**, to preserve and enhance the productive and efficient management by LESSOR of the real estate properties in North Harbor, and give opportunity to the LESSEE to update its account with **PPA**, the parties hereto agree to resolve their differences and enter in this Compromise Agreement under such terms and conditions hereinafter set forth.

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NOW, THEREFORE, for and in consideration of the foregoing premises and of the stipulations, covenants, terms and conditions hereinafter set forth, LESSOR and the LESSEE hereby mutually agree, as follows, viz:

1. The agreement on the rental rate as prescribed in the Lease Contract/PTOC between the LESSOR and the LESSEE shall be respected. However, effective January 2008 up to September, 2009, the compromise rental rate of P80.00 per square meter per month shall apply.
2. During the periods when LESSEE's occupancy is not covered by a Lease Contract or PTOC, the LESSEE agrees to pay PPA the compromise rental rates based on the rate schedule below:

<b>Year</b>	<b>Rate/Sq. Meter/ Month</b>
1998	P 21.00
1999	25.50
2000	32.50
2001	39.50
2002	50.00
2003	55.00
2004	60.50
2005	66.50
2006	70.00
2007	80.00
2008	80.00
2009(January to September)	80.00

3. It is agreed by the parties that the LESSEE shall settle in full its arrears based on the rental rates provided in the preceeding Section/s within fifteen (15) days upon signing of this Compromise Agreement.
4. In keeping with good faith and fair play, the parties have agreed that interest and penalty charges for the arrearages shall be suspended covering protested rentals for the period 1998-2008.
5. In the event that PPA will need space for port operational requirement and development, the lessee hereby agrees to vacate the premises within 30 days upon receipt of notice.
6. In the event that lessee shall violate any of the terms and conditions of this Compromise Agreement, this Compromise Agreement shall be rendered null and void and of no force and effect and the PPA shall have the right to adjust or increase the lease rates and avail of other reliefs in accordance with law.
7. This compromise agreement may not be changed, modified or supplemented in any way except by an instrument in writing executed by both parties and approved by their respective Board of Directors.
8. Any remitted rental payments in excess of the duly approved compromise rental rates from the applicable effectivity date shall be treated as overpayments to be applied to future rental billings starting from the month immediately following the signing of this Compromise Agreement.

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IN WITNESS WHEREOF, the parties have hereunto set their hands on the date and at the place above-written.

**PHILIPPINE PORTS AUTHORITY**  
(LESSOR)

By:

**ATTY. OSCAR M. SEVILLA**  
General Manager

\_\_\_\_\_

\_\_\_\_\_  
(LESSEE)

By:

\_\_\_\_\_

WITNESSES:

\_\_\_\_\_



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**ACKNOWLEDGMENT**

Republic of the Philippines)  
City of Manila )S.S

BEFORE ME, a Notary Public, in and for MANILA, Philippines, this \_\_\_\_ day of \_\_\_\_, 2008, personally appeared the following:

NAME	COMMUNITY TAX CERT NUMBER	DATE AND PLACE ISSUED
ATTY. OSCAR M. SEVILLA	_____	_____
_____	_____	_____

both known to me to be the same persons who executed the foregoing instruments as:

POSITION	COMPANY	CTC NO.	DATE	PLACE
1. General Manager PPA	PPA	_____	_____	_____
2. _____	_____	_____	_____	_____

and they acknowledged to me that the same are their own free act and deed, as well as the free and voluntary act of the corporation they represent herein.

This Compromise Agreement executed by the above consists of four (4) pages, including this page where the Acknowledgment appears and has been signed by the parties and their instrumental witnesses on each and every page thereof.

**WITNESSETH MY HAND AND SEAL** on the date and at the place first above-written.

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March 18, 2009

**PPA MEMORANDUM ORDER**  
**NO. 20 - 2009**

**TO :** The Port District Manager, PDO Manila/Northern Luzon  
The Port Manager, PMO North Harbor  
Head of RCs Concerned

**SUBJECT :** Amendment to PPA Memorandum Order No. 03-2009  
Entitled "Compromise Rental Rates on Lands at Manila  
North Harbor"

Sections 4.4 of PPA Memorandum Order No. 03-2009 (See page 256) is hereby amended to read as follows:

4.4 Settlement Scheme

4.4.1. PLSA Formula

No interest and penalties shall be charged for the arrearages provided that the North Harbor tenants/lessees comply or undertake the following:

4.4.4.1. Execute a Compromise Agreement with PPA to avail of PLSA-based rental rates, as provided in Section 4.1 of PPA Memorandum Order No. 03-2009, **within 60 days from receipt of written notice.**

4.4.4.2. All arrears or back accounts **must be paid within fifteen (15) days** from date of signing of the Compromise Agreement.

4.4.2 Modified PLSA Formula

For lessees who cannot pay in full within fifteen (15) days, their accounts may be restructured following the Modified PLSA-Formula to wit:

4.4.2.1 Execute a Compromise Agreement with PPA to avail of PLSA-based rental rates, as provided in Section 4.1 of PPA Memorandum Order No. 03-2009, within 60 days from written notice.

4.4.2.2 Interest Charges

4.4.2.2.1 6% per annum simple interest from 1998 to date of Compromise Agreement added to and forming part of the principal restructured amount;

4.4.2.2.2 plus built-in interest of 6% per annum during the restructuring period

4.4.2.3 Penalty Charges

4.4.2.3.1 Waived from 1998 to date of Compromise Agreement

4.4.2.3.2 Waived during the restructuring period

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4.4.2.4 Payment Term

4.4.2.4.1 Initial Payment of at least 10% of the total amount

4.4.2.4.2 Balance to be restructured within a maximum period of 10 years based on equal or graduated monthly amortization

4.4.2.5 Charges for Defaulted Amortization

4.4.2.5.1 Interest Charges of 6% per annum ; and

4.4.2.5.2 Penalty Charges of 6% per annum

4.4.3 Failure to Execute compromise Agreement

It is hereby reiterated that in case of failure to execute a Compromise Agreement, within 60 days from notice, Section 4.6.4 of PPA Memorandum Order No. 03-2009 shall apply.

This Memorandum Order shall take effect immediately.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

Published in the Philippine Star - March 23, 2009

Published in the Official Gazette - May 4, 2009  
Vol 105, No.18, Page 2751

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May 7, 2009

**PPA MEMORANDUM ORDER**  
NO. 29 - 2009

**TO :** The Port District Manager, PDO Manila/Northern Luzon  
The Port Manager, PMO North Harbor

**SUBJECT :** Preferential Rental Rate of P35.55/sq.m/mo. for Slip 0 Areas,  
PMO North Harbor

PPA Board Resolution No. 2184 (See page 19) dated 27 March 2009, approved for implementation the preferential rental rate of P35.55/sq.m/mo. for Slip 0 areas at PMO North Harbor.

Said preferential rental rate is valid effective November 2005 until September 2009, to coincide with the expiry date of PMO North Harbor preferential rate approved per PPA Board Resolution No. 2158 (See page 266).

For your immediate compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
Officer-In-Charge

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Corporate Board Secretary of the Philippine Ports Authority (PPA), a government instrumentality attached to the Department of Transportation and Communications, created by virtue of Presidential Decree No. 857, as amended, with principal office at PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, and having custody of the Board records of the PPA, do hereby certify:

That, during the 347th Regular Meeting of the Board of Directors of the Philippine Ports Authority held on 29 September 2008 at the Board Room, 6th Floor PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

**RESOLUTION NO. 2158**

*“RESOLVED, That on motion duly made and seconded, BoardCom Resolution Nos. 2008-1150 to 2008-1152, as adopted during the 212th Meeting of the Board Committee, held on 29 September 2008, hereto attached and incorporated by reference, be as they are hereby confirmed.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 30th day of September 2008, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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November 13, 2009

**PPA ADMINISTRATIVE ORDER**  
**NO. 07 - 2009**

**TO :** All Port District Managers  
Port Managers  
Others Concerned

**SUBJECT :** Real Estate Management Fees

Pursuant to PPA BoardCom Resolution No. 2009-1206 (See page 269) and Board Resolution No. 2197 dated 01 September 2009 (See page 270), the following non-refundable real estate management fees are hereby prescribed.

**1. Administrative Fees**

- 1.1 The following non-refundable filing fees, exclusive of VAT shall be imposed on all new and/or renewal applications for Permit/s to Occupy (PTOc)/lease contract.

Type of Lease	Filing Fee
For short-term lease application up to one-year	One thousand pesos (P1,000.00)
For medium term lease application, of up to five (5) years	Three thousand pesos (P3,000.00)
For long-term lease application, of up to twenty-five (25) years	Five thousand pesos (P5,000.00)

- 1.2 In cases of requests for transfer, assignment of leasehold rights and/or change of lessee/company name, the following fees, exclusive of VAT shall be applied.

Particular	Amount
Assignment/transfer of medium-term lease(up to 5 years)	Ten thousand pesos (P10,000.00)
Assignment/transfer of lease or leasehold rights for long-term lease (more than 5 years up to 25 years)	Twenty-five thousand pesos (P25,000.00)
Change of Lessee/Company Name	Ten thousand pesos (P10,000.00)

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**2. Sublease Rental Share**

The lessee which subleases in part or in whole the leased property, as approved by the Authority shall be charged 10% sublease rental share per month, plus VAT.

With the exception of the Sublease Rental Rate which shall be incorporated in future lease contracts or permits, the above fees shall take effect thirty (30) days after publication of this Order in a newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - November 19, 2009*

***Effectivity Date - December 19, 2009***

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Secretary of the Board Committee, as created by the Board of Directors of the Philippine Ports Authority (PPA), and having custody of the Board records of the said committee, do hereby certify:

That during the 223rd Meeting of the Board Committee held on 28 August 2009 at the Board Room, 6th Floor PPA Head Office Buiding, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following resolution was adopted:

**BoardCom Resolution No. 2009-1206**

*“RESOLVED, That on motion duly made and seconded, the proposal of Management for the following uniform and standard Real Estate Management Fees, be, as they are hereby approved:*

***Application Fee or Filing Fee on lease/s and/or permits to occupy (exclusive of VAT)***

*Short-term application up to one (1) year* *Php 1,000.00*

*Medium-term lease application up to five (5) years* *Php 3,000.00*

*Long-term lease application up to twenty-five years* *Php 5,000.00*

***Transfer of Lease or Assignment of Lease or Leasehold Rights Fee (exclusive of VAT)***

*Assignment/transfer of medium-term lease  
(up to 5 years)* *Php 10,000.00*

*Assignment/transfer of lease or leasehold rights for  
long-term lease (more than 5 years up to 25 years)* *Php 25,000.00*

***Change of Name Fee (exclusive of VAT)***

*Change of Lessee/Company Name* *Php 10,000.00*

***Sublease Rental Rate***

*10% of sublease rental  
or sublease rate per  
month (exclusive of VAT)*

*RESOLVED FURTHER, That with the exception of the Sublease Rental Rate which shall be incorporated in future lease contracts or permits, the above proposed fees shall be effective 30 days upon completion of its publication in a newspaper of general circulation.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this last day of September 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary



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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Corporate Board Secretary of the Philippine Ports Authority (PPA), a government instrumentality attached to the Department of Transportation and Communications, created by virtue of Presidential Decree No. 857, as amended, with principal office at PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, and having custody of the Board records of the PPA, do hereby certify:

That, during the 358th Regular Meeting of the Board of Directors of the Philippine Ports Authority held on 28 August 2009 at the 6th Floor PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

**RESOLUTION NO. 2197**

*“RESOLVED, That on motion duly made and seconded, BoardCom Resolution Nos. 2009-1204 to 2009-1207, as adopted during the 223rd Meeting of the Board Committee, held on 28 August 2009, hereto attached and incorporated by reference, be, as they are hereby confirmed.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 1st day of September 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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November 27, 2009

**PPA MEMORANDUM ORDER**  
**NO. 68 - 2009**

**TO :** The Port District Manager, PDO Manila/Northern Luzon  
The Port Manager, PMO South Harbor  
All South Harbor Lessees Concerned  
Head of RCs and Others Concerned

**SUBJECT :** Guidelines on the Revised Rental Rates on Lands at the Manila South Harbor Expanded Port Zone

**1. Authority**

- 1.1 Section 6 a) (ii) of Presidential Decree (PD) No. 857, as amended
- 1.2 Commonwealth Act 141 entitled "An Act to Amend and Compile Laws Relative to Lands of the Public Domain"
- 1.3 Executive Order No. 321
- 1.4 OGCC Opinion No. 128 Series of 2009
- 1.5 COA Resolution No. 89-17
- 1.6 BoardCom Resolution No. 2009-1213 (See page 277) as adopted and confirmed by Board Resolution No. 2202 (See page 279) on October 22, 2009

**2. Objectives and Scope**

This Memorandum Order is issued to expedite the collection of dormant protested rental billings of the lessees or tenants at the Manila South Harbor Expanded Port Zone without resorting to lengthy and costly judicial proceedings. This pertains particularly to those lessees covered by the 99-Year Long Term Contracts issued by the Government in 1911 and 1919, as follows:

**2.1. 1911 Lease Contract**

- 2.1.1. Mary Bachrach Corporation
- 2.1.2. Tacoma Integrated Port Services, Inc

**2.2. 1919 Lease Contract**

- 2.2.1. Amalgamated Motors
- 2.2.2. LBC Development
- 2.2.3. Pilipino Star
- 2.2.4. Reliance Commodities
- 2.2.5. Philippine Consolidated Investors Corporation
- 2.2.6. Philippine Journalists, Inc.

2.2.7. Bachrach Corporation Block 180

2.2.8. Bachrach Corporation Block 185

### 3. Guidelines

3.1 The following Revised Rental Rates shall apply to the Expanded South Harbor lessees covered by the 99-Year Long Term Contracts:

<u>Rental Period</u>	<u>Actual Appraised Value</u>	<u>CA 141 Limit on Appraised Value</u>	<u>Rental per sq.m. per Month</u>
<b><u>1911 Leases</u></b>			
<b>GSA / DENR</b>			
1911-1921	P 10.00	P 10.00	P 0.025
1921-1981		No Available Records	
1981-1988	700.00	700.00	2.33
<b>PPA</b>			
1988-1991	700.00	700.00	2.33
1991-2001	4,500.00	1,400.00	11.67
2001-2010	32,500.00	2,800.00	23.33
<b><u>1919 Leases</u></b>			
<b>GSA / DENR</b>			
1919-1924	P 10.00	P10.00	P0.025
1924-1979		No Available Records	
1979-1988	700.00	700.00	2.33
<b>PPA</b>			
1988-1989	700.00	700.00	2.33
1989-1999	870.00	870.00	7.25
1999-2009	30,000.00	1,740.00	14.50
2009-2018	35,000.00	3,480.00	29.00

3.2. The original area indicated in the 99-Year Long Term Contract shall be used in computing the lessee's back accounts as of December, 2009.

3.3. Prior to execution of the proposed Compromise Agreement, PPA and the lessee/tenant shall conduct a joint survey for the purpose of determining the actual area occupied by the lessee/tenant. Starting January 2010, the resulting area actually used or in possession by the lessee shall be applied in computing the monthly rental based on the revised rental rates.

3.4. All fully paid rental periods of the lessees covered by these guidelines shall not be disturbed and shall not in any way be affected by the Revised Rental Rates. No cash refund nor credit memo shall be granted.

3.5. The payment schemes prescribed in BoardCom Resolution No. 2009-1186 and implemented under PPA Memorandum Order No. 43-2009 (See page\_\_\_\_) shall be adopted for the outstanding accounts of these long term lessees.

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- 3.6. The 99-Year Long Term Contracts shall not be subject to renewal. Upon expiration of said lease contracts, they shall be bid out and new lease contracts shall be based on the current PPA appraisal and subject to the existing Real Estate Management guidelines of PPA.
  - 3.7. A Compromise Agreement (pro-forma – Annex A) shall be executed providing the revised rental rates, additional areas if any, payment scheme, property insurance, general terms upon expiry, among others.

**4. Implementing Procedures by PMO South Harbor**

- 4.1. Notify officially all lessees or tenants concerned for compliance to the documentary and settlement requirements of this Order.
- 4.2. Conduct a joint survey with the lessee to determine the actual area occupied and submit the Joint Survey Report not later than December 15, 2009.
- 4.3. Prepare the Compromise Agreement for execution by the lessees or tenants concerned and indorse the same to the General Manager for approval.
- 4.4. If the lessee refuses to enter into a compromise agreement, issue notice of violation of contract terms and disqualification to conduct business at PPA Ports; and enforce other sanctions available to PPA including termination of the lease contract.

**5. Administrative Sanction**

Any officer or personnel found violating any provisions of these guidelines shall be subject to administrative investigation and filing of administrative charges if prima facie evidence exists.

**6. Repealing Clause**

This Memorandum Order amends specifically PPA Memorandum Order No. 17-98 (See Port Rules and Regulations Vol. 12 Page 91) dated June 8, 1998 with respect to rental rates covering South Harbor lessees and all other orders, circulars, rules and regulations, guidelines, memoranda or provisions thereof inconsistent herewith.

**7. Effectivity**

This Memorandum Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - December 3, 2009*

**Effectivity Date - December 18, 2009**

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**COMPROMISE AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

This Compromise Agreement executed by and between:

The **PHILIPPINE PORTS AUTHORITY**, a government instrumentality created under Presidential Decree No. 857, as amended, with principal office at PPA Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, represented herein by its General Manager, **ATTY. OSCAR M. SEVILLA**, as authorized under BoardCom Resolution No. \_\_\_\_\_, confirmed by Board Resolution No. \_\_\_\_\_, as evidenced by Secretary's Certificate dated \_\_\_\_\_, hereunto attached as Annexes "A and A-1," and hereinafter referred to as the **LESSOR**.

-and-

\_\_\_\_\_, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at \_\_\_\_\_, represented herein by its \_\_\_\_\_, as evidenced by the Secretary's Certificate dated \_\_\_\_\_, hereunto attached as Annex "B", and hereinafter referred to as the **LESSEE**.

WITNESSETH:

WHEREAS, the LESSEE is a grantee of leasehold rights by the Government of the Philippine Islands, over Block \_\_\_ of the now South Harbor Expanded Port Zone, with an original area of \_\_\_\_\_ square meters, and hereto attached as "Annex C".

WHEREAS, the LESSOR, by virtue of Executive Order No. 321, issued on March 17, 1988, was given the charge of the administration, management and development of the South Harbor Expanded Port Zone.

WHEREAS, included in the said authority over the South Harbor Expanded Port Zone is the power to review all existing leases, leasehold rights and contracts over the area in accordance with the port policy that it shall adopt, taking into consideration the primary utilization of the limited areas for port-related businesses and industries and consistent with the applicable laws, rules, and regulations.

WHEREAS, said power to review all existing leases, leasehold rights and contracts over the area carries with it the power to conduct an appraisal of the said real estate areas, as confirmed by Office of the Government Corporate Counsel [OGCC] in its Opinion No. 128, Series of 2009, dated 10 June 2009; and that such appraisal shall be conducted by an independent appraiser every five [5] years as provided under COA Resolution No. 89-17 issued on March 8, 1989.

WHEREAS, in consonance with the integrated policy for the economic development and advancement of ports, vis-à-vis the present economic condition of the state, there is a need to review the existing rental rate for the leasehold rights grantees.

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WHEREAS, the LESSOR has resolved to rationalize and adopt a revised rental rate policy for all 99-year term lease contracts in order to address long pending protests and cases affecting its collection of rental revenues.

NOW, THEREFORE, for and in consideration of the foregoing and of the stipulations, covenants, and agreements hereinafter set forth, the parties hereby mutually agree, as follows:

[1] The subject area of Block No. \_\_\_\_ actually occupied by the LESSEE is \_\_\_\_\_ square meters (\_\_\_\_sq.m.) based on the joint survey conducted and agreed upon by the parties.

[2] The Revised Rental Rates over the premises as prescribed in PPA Memorandum Order No. \_\_\_\_ shall become the basis for the billing of the LESSEE which shall commence on \_\_\_\_\_.

[3] The LESSEE shall settle in favor of the LESSOR its outstanding account as of December, 2009 in the amount of \_\_\_\_\_ (P \_\_\_\_\_). Any terms of payment shall comply with PPA Memorandum Order No. 43-2009 and in accordance with the herein schedule in case of term payment.

Installment No. _____	Date of Payment _____	Amount _____
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P

Total P \_\_\_\_\_

[4] Save the foregoing provisions subject of this Compromise Agreement, the terms and conditions of the existing lease contract (Annex "C") shall remain to be unaffected and shall be respected by the parties until its expiration.

[5] Non-compliance by the LESSEE of any of the stipulations, covenants, and agreements herein set forth shall constitute a violation of the terms of the original contract and shall become a ground for the termination of the lease contract.

IN WITNESS WHEREOF, the parties have hereunto set their hands on this \_\_\_\_ day of \_\_\_\_\_, 2009 at the City of Manila.

**PHILIPPINE PORTS AUTHORITY**

**LESSOR**

By:

(Sgd.) **ATTY. OSCAR M. SEVILLA**

General Manager

\_\_\_\_\_  
**LESSEE**

By:

\_\_\_\_\_

Signed in the Presence of:

\_\_\_\_\_

\_\_\_\_\_

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**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES)  
CITY OF \_\_\_\_\_) S.S.

BEFORE ME, a Notary Public, for and in the City of \_\_\_\_\_, Philippines, on this \_\_\_\_\_ day of \_\_\_\_\_ 2009 personally appeared:

<u>Name</u>	<u>Identification Document Presented</u>	<u>No./Place/Date Issued</u>
<b>ATTY. OSCAR M. SEVILLA</b>	_____	_____
_____	_____	_____

Known to me and to me known to be the same persons who executed the foregoing instrument as:

<u>Position</u>	<u>Company</u>	<u>CTC No.</u>	<u>Date</u>	<u>Place</u>
General Manager	Philippine Ports Authority	_____	_____	_____
_____	_____	_____	_____	_____

and acknowledged to me that the same is their free and voluntary act and deed, as well as the free and voluntary act of the legal entity they represent.

The foregoing instrument refers to a Compromise Agreement over a parcel of land situated in South Harbor, Port Area, Manila consisting of three [3] pages including the page on which this acknowledgment is written, duly signed by the parties and their witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL on the date and place above-written.

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2009.

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Secretary of the Board Committee, as created by the Board of Directors of the Philippine Ports Authority (PPA), and having custody of the Board records of the said committee, do hereby certify:

That during the 225th Meeting of the Board Committee held on 21 October 2009 at the Board Room, 6th Floor PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

*BoardCom Resolution No. **2009-1213***

*“RESOLVED, That on motion duly made and seconded, and in order to address long-outstanding protests on PPA’s rental rates at South Harbor, the proposal of Management to adopt the Revised Rental Rates for the South Harbor Expanded Port Zone using ten (10%) percent of the appraised value of the leased properties as PPA’s basis of the rental rates for lessees covered by the 99 Year-Long Term Contracts issued by the Government in 1911 and 1919 following the pertinent provisions of Commonwealth Act No. 141 entitled: “An Act to Amend and Compile the Laws Relative to Lands of the Public Domain”, be, as they are hereby approved, to wit:*

<b>Rental Period</b>	<b>Actual Appraised Value</b>	<b>CA 141 Limit on Appraised Value</b>	<b>Rental per sq.m. per Month</b>
<b><u>1911 Leases</u></b>			
<b>GSA / DENR</b>			
1911-1921	P 10.00	P 10.00	P 0.025
1921-1981		No Available Records	
1981-1988	700.00	700.00	2.33
<b>PPA</b>			
1988-1991	700.00	700.00	2.33
1991-2001	4,500.00	1,400.00	11.67
2001-2010	32,500.00	2,800.00	23.33
<b><u>1919 Leases</u></b>			
<b>GSA / DENR</b>			
1919-1924	P 10.00	P10.00	P0.025
1924-1979		No Available Records	
1979-1988	700.00	700.00	2.33
<b>PPA</b>			
1988-1989	700.00	700.00	2.33
1989-1999	870.00	870.00	7.25
1999-2009	30,000.00	1,740.00	14.50
2009-2018	35,000.00	3,480.00	29.00



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*RESOLVED FURTHER, That subject to the conditions set in Annex "A" hereof and execution of the corresponding compromise agreements with the lessees concerned, the coverage of the above Revised Rental Rates shall apply only to those lessees in the South Harbor that are covered by the following 99 Year-Long Term Contracts, to wit:*

**A. 1911 Lease Contract:**

1. *Mary Bachrach Corporation*
2. *Tacoma Integrated Port Services, Inc.*

**B. 1919 Lease Contract:**

1. *Amalgamated Motors*
2. *LBC Development*
3. *Pilipino Star*
4. *Reliance Commodities*
5. *Philippine Consolidated Investors Corporation*
6. *Philippine Journalist, Inc.*
7. *Bachrach Corporation Block 180*
8. *Bachrach Corporation Block 185*

*RESOLVED FINALLY, That the General Manager, be, as he is hereby authorized, to execute the corresponding Compromise Agreements with the lessees concerned subject to the conditions specified in Annex "A" hereof."*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 22nd day of October 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Corporate Board Secretary of the Philippine Ports Authority (PPA), a government instrumentality attached to the Department of Transportation and Communications, created by virtue of Presidential Decree No. 857, as amended, with principal office at PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, and having custody of the Board records of the PPA, do hereby certify:

That, during the 360th Regular Meeting of the Board of Directors of the Philippine Ports Authority held on 21 October 2009 at the 6th Floor PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

**RESOLUTION NO. 2202**

*“RESOLVED, That on motion duly made and seconded, BoardCom Resolution Nos. 2009-1213 to 2009-1215, as adopted during the 225th Meeting of the Board Committee, held on 21 October 2009, hereto attached and incorporated by reference, be, as they are hereby confirmed.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 22nd day of October 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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November 27, 2009

**PPA MEMORANDUM ORDER**  
**NO. 69 - 2009**

**TO :** The Port District Manager, PDO Manila/Northern Luzon  
The Port Manager, PMO North Harbor  
Head of RCs and Others Concerned

**SUBJECT :** Revised Guidelines on the Compromise Rental  
Rates on Lands at Manila North Harbor

**1. Authority**

- 1.1. Section 6 a) (iii) of Presidential Decree (PD) No.857, as amended
- 1.2. Board Resolution No. 1379 issued on 21 December 1993
- 1.3. BoardCom Resolution No. 2005-986 (See page 287), as adopted and confirmed by Board Resolution No. 2045 (See page 288) on 20 December 2005
- 1.4. BoardCom Resolution No. 2008-1144 (See page 289) as adopted and confirmed by Board Resolution No. 2151 (See Port Rules and Regulations 2005 Page 79) on 25 July 2008
- 1.5. BoardCom Resolution No. 2008-1151 (See page 290), as adopted and confirmed by Board Resolution No. 2158 on 30 September 2008
- 1.6. Board Resolution No. 2204 (See page 292) on October 22, 2009

**2. Objectives**

This Memorandum Order is issued to expedite and facilitate the collection of dormant rental billings by leveling the playing field among the lessees or tenants at the Manila North Harbor without resorting to lengthy and costly judicial proceedings.

**3. Coverage**

The compromise rental rates on lands at the Manila North Harbor shall cover all lessees or tenants in Manila North Harbor with limitations as specifically provided in Section 4.2 of this Memorandum Order. Not covered in this order are lessees identified under Section 4.3 hereof.

**4. Guidelines**

- 4.1 . The compromise rental rates for North Harbor lessees or tenants covered by these guidelines shall be as follows:

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Year	Rate/sq.m/month
1998	21.00
1999	25.50
2000	32.50
2001	39.50
2002	50.00
2003	55.00
2004	60.50
2005	66.50
2006	70.00
2007	80.00
2008	80.00
2009	80.00
2010 (January to September)	80.00

4.2. Limitations

4.2.1. The Agreement on the rental rate as prescribed in the Lease Contract/PTOC between PPA and the lessees shall be respected by both parties. However, effective January 2008, the compromise rental rates as prescribed above shall likewise be applied.

4.2.2. Fully paid rental accounts as of the effectivity date of these guidelines, however, shall not be disturbed.

4.3. Exceptions

4.3.1. Lessees occupying the Slip O Area bounded in the north by the IPB Access Road, in the south by the MICT Access Road, in the east by the R-10 Road, and in the west by the MICT operational area, including the land bounded in the west by Marcos Road, in the south by the IPB Access Road, in the east by R-10 Road and in the north by the Total Bulk Corporation leased area. The conditions and rental rates shall be covered by a separate memorandum order or guideline.

4.3.2. Aboitiz Transport System leased area at the Marine Slipway (MSW) - Rental rate and the occupancy of this area is the subject of a pending court case.

4.4. Settlement Scheme

4.4.1. One-Time Payment

No interest and penalties shall be charged for the rental arrearages from 1998 provided that the North Harbor tenants/lessees comply with or undertake the following:

4.4.1.1. Execute a Compromise Agreement with PPA to avail of the compromise rental rates within 60 days from receipt of written notice.

4.4.1.2. All arrears or back accounts must be paid within fifteen (15) days from date of signing of the Compromise Agreement.

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#### 4.4.2. Term Payment

For lessees who will not avail of the One-Time Payment scheme, the following procedures are herein prescribed:

4.4.2.1. Execute a Compromise Agreement with PPA, together with a Restructuring Agreement, to avail of the compromise rental rates within 60 days from receipt of written notice.

#### 4.4.2.2. Interest Charges

4.4.2.2.1. 6% per annum simple interest from 1998 to date of Compromise Agreement added to and forming part of the principal restructured amount;

4.4.2.2.2. plus built-in interest of 6% per annum during the restructuring period

#### 4.4.2.3. Penalty Charges

4.4.2.3.1. Waived from 1998 to date of Compromise Agreement

4.4.2.3.2. Waived during the restructuring period

#### 4.4.2.4. Payment Term

4.4.2.4.1. Initial Payment of at least 10% of the total principal amount

4.4.2.4.2. Balance to be restructured within a maximum period of 3 years based on equal or graduated monthly amortization

#### 4.4.2.5. Charges for Defaulted Amortization

4.4.2.5.1. Interest Charges of 6% per annum; and

4.4.2.5.2. Penalty Charges of 6% per annum

#### 4.5. Implementing Procedures by PMO North Harbor

4.5.1. Notify officially all lessees or tenants concerned for compliance to the documentary and settlement requirements of this Order.

4.5.2. Prepare the Compromise Agreement for execution by the lessees or tenants concerned and indorse the same to the General Manager for approval.

4.5.3. Issue the corresponding Permit to Occupy (PTOC) to all lessees who have executed the Compromise Agreement and paid/settled their back accounts on rentals.

4.5.4. If the lessee refuses to enter into a compromise agreement, the following courses of action shall be undertaken:

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- 4.5.4.1. Cancel privilege to occupy area and issue Notice to Vacate;
  - 4.5.4.2. Enforce other sanctions available to PPA, including cancellation of PTO, issuance of Notice of Violation and disqualification to conduct business at PPA ports;
  - 4.5.4.3. Recommend the filing of appropriate cases, as necessary; and
  - 4.5.4.4. With the assistance of other government agencies concerned, implement ejection of lessee and clearing of area.

4.6. The Compromise Agreement to be executed by the lessees/tenants shall be in accordance with the format provided in Annex "A".

**5. Administrative Sanction**

Any officer or personnel found violating any provisions of these guidelines shall be subject to administrative investigation and filing of administrative charges if prima facie evidence exists.

**6. Repealing Clause**

This Memorandum Order revokes PPA Memorandum Order No. 03-2009 and PPA Memorandum Order No. 20-2009. All other Orders, Circulars, rules and regulations, guidelines, memoranda or provisions thereof inconsistent herewith are hereby amended accordingly.

**7. Effectivity**

This Memorandum Order shall take effect fifteen (15) days after its publication in the official gazette or in a newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - December 3, 2009*

**Effectivity Date - December 18, 2009**

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**COMPROMISE AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

This **COMPROMISE AGREEMENT**, made and entered into this \_\_\_\_ day of \_\_\_\_\_ in the City of Manila, by and between:

**PHILIPPINE PORTS AUTHORITY (PPA)**, a government instrumentality created by virtue of Presidential Decree No. 857, as amended, with office address at the PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila; represented herein by its General Manager, **OSCAR M. SEVILLA**, duly authorized under BoardCom Resolution No. 2008-1151, as confirmed under Board Resolution No. 2158, hereto attached as Annexes "A-1" and "A-2", hereinafter referred to as the **LESSOR**;

-and-

\_\_\_\_\_ duly organized and existing under the laws of the Republic of the Philippines, with office at \_\_\_\_\_ represented herein by its \_\_\_\_\_, \_\_\_\_\_, by virtue of a Board Resolution as certified through a Secretary's Certificate dated \_\_\_\_\_, marked as Annex "B" hereinafter referred to as the **LESSEE**;

**WHEREAS**, the Republic of the Philippines is the owner of a government land presently denominated as North Harbor and is being administered by the LESSOR pursuant to its mandates under the provisions of Presidential Decree No. 857, as amended;

**WHEREAS**, \_\_\_\_\_ has leased/is leasing an area of PPA at \_\_\_\_\_ North Harbor, Tondo, Manila;

**WHEREAS**, accounts receivables arising from back rentals have accumulated thru the years due to North Harbor lessees' (including LESSEE herein) protests/non-acceptance of the Board approved rental rate increases being imposed thereat;

**WHEREAS**, an extra-judicial settlement of the above dispute would best serve the parties' respective interests, as they would both be saved from the protracted and burdensome intervention of judicial processes. Sec. 10 Chapter 3 Book VII of the Adm. Code of 1987 thus provides:

"Sec. 10 Compromise and Arbitration - To expedite administrative proceedings involving conflicting rights or claims and obviate expensive litigations, every agency shall, in the public interest, encourage amicable settlement compromise and arbitration."

**WHEREAS**, to preserve and enhance the productive and efficient management by **LESSOR** of the real estate properties in North Harbor, and give opportunity to the **LESSEE** to update its account with **PPA**, the parties hereto agree to resolve their differences and enter in this Compromise Agreement under such terms and conditions hereinafter set forth.

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**NOW, THEREFORE**, for and in consideration of the foregoing premises and of the stipulations, covenants, terms and conditions hereinafter set forth, **LESSOR** and the **LESSEE** hereby mutually agree as follows, viz:

1. The agreement on the rental rate as prescribed in the Lease Contract/PTOC between the LESSOR and the LESSEE shall be respected. However, effective January 2008, the compromise rental rate as prescribed in Section 2 hereof shall apply.
2. During the periods when LESSEE's occupancy is not covered by a Lease Contract or PTOC, the LESSEE agrees to pay PPA the compromise rental rates as prescribed in Board Resolution No. 2204 and implemented in PPA Memorandum Order No. 69-2009. The compromise rental rate of P80.00/sq.m/month had been extended up to September 2010.
3. It is agreed by the parties that the LESSEE shall pay/settle in full its arrears, if any, based on the rental rates provided in the preceding Section/s within fifteen (15) days upon signing of this Compromise Agreement.
4. In keeping with good faith and fair play, the parties have agreed that interest and penalty charges for the arrears, if any, shall be suspended covering protested rentals for the period 1998-2009.
5. If the LESSEE has fully paid its rental/has no arrears, as of the effectivity date of PPA Memorandum Order No. 69-2009, all fully paid rental accounts shall not be disturbed.
6. In the event that PPA will need space for port operational requirement and development, the lessee hereby agrees to vacate the premises within 30 days upon receipt of notice.
7. In the event that lessee shall violate any of the terms and conditions of this Compromise Agreement, this Compromise Agreement shall be rendered null and void and of no force and effect and the PPA shall have the right to adjust or increase the lease rates and avail of other reliefs in accordance with law.
8. This compromise agreement may not be changed, modified or supplemented in any way except by an instrument in writing, executed by both parties and approved by their respective Board of Directors.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands on the date and at the place above-written.

**PHILIPPINE PORTS AUTHORITY**

(LESSOR)

By:

\_\_\_\_\_ (LESSEE)

By:

**ATTY. OSCAR M. SEVILLA**

General Manager

\_\_\_\_\_ WITNESSES:  
\_\_\_\_\_



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**ACKNOWLEDGMENT**

Republic of the Philippines)  
City of Manila ) S.S

BEFORE ME, a Notary Public, in and for MANILA, Philippines, this \_\_\_\_\_ day of \_\_\_\_\_, 2008, personally appeared the following:

NAME	COMMUNITY TAX CERT NUMBER	DATE AND PLACE ISSUED
<b>ATTY. OSCAR M. SEVILLA</b>	_____	_____
_____	_____	_____

both known to me to be the same persons who executed the foregoing instrument as:

POSITION	COMPANY	CTC NO.	DATE	PLACE
1. General Manager	PPA	_____	_____	_____
2. _____		_____	_____	_____

and they acknowledged to me that the same are their own free act and deed, as well as the free and voluntary act of the corporation they represent herein.

This Compromise Agreement executed by the above consists of four (4) pages, including this page where the Acknowledgment appears and has been signed by the parties and their instrumental witnesses on each and every page thereof.

**WITNESSETH MY HAND AND SEAL** on the date and at the place first above-written.

NOTARY PUBLIC

Page No. \_\_\_\_\_  
Doc No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of \_\_\_\_\_

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Secretary of the Board Committee, as created by the Board of Directors of the Philippine Ports Authority, and having custody of the Board records of said committee, do hereby certify:

That during the 179th Meeting of the Board Committee held on 20 December 2005 at the PPA Board Rooms, 5th Floor Marsman Building, Muelle de San Francisco, South Harbor, Port Area, Manila, the following Resolution was adopted:

*BoardCom Resolution No. 2005-986*

*“RESOLVED, That on motion duly made and seconded, subject to legal review by the Office of the Government Corporate Counsel and compliance with the requirements of PPA Administrative Order No. 01-91, entitled: Addendum to Guidelines on the Imposition of Interest and Penalty Charges Under PPA Administrative Order No. 08-82”, the following proposed compromise rental rates from 1998 to 2007 with the members of the Philippine Liner Shipping Association, Inc. (PLSA), be, as it is hereby approved:*

<b>Year</b>	<b>Rate/sq.m./month</b>
1998	21.00
1999	25.50
2000	32.50
2001	39.50
2002	50.00
2003	55.00
2004	60.50
2005	66.50
2006	70.00
2007	80.00

*RESOLVED FURTHER, That the implementation of the above revised rental rates be subject to the following conditions:*

- 1. full settlement of the respective back accounts covering the period 1998 to 2005 by the individual domestic liners; and*
- 2. non-inclusion of the WG&A Lease Contract covering the MSW area in the compromise settlement.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 21st day of December 2005, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Secretary

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Corporate Board Secretary of the Philippine Ports Authority (PPA), a government corporation attached to the Department of Transportation and Communications, created by virtue of Presidential Decree No. 857, as amended, with principal office at Room 502, Marsman Building, 22 Muelle de San Francisco, South Harbor, Port Area, Manila, and having custody of the Board records of the PPA, do hereby certify:

That, during the 314th Regular Meeting of the Board of Directors of the Philippine Ports Authority held on 20 December 2005 at the PPA Board Room, 5th Floor Marsman Building, Muelle de San Francisco, South Harbor, Port Area, Manila, the following Resolution was adopted:

*RESOLUTION NO. 2045*

“RESOLVED, That on motion duly made and seconded, BoardCom Resolution Nos. 2005-986 to 2005-991, as adopted during the 179th Meeting of the Board Committee, held on 20 December 2005, hereto attached and incorporated by reference, be, as they are hereby confirmed.”

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 20th day of December 2005, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Secretary

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Corporate Board Secretary of the Philippine Ports Authority (PPA), a government instrumentality attached to the Department of Transportation and Communications, created by virtue of Presidential Decree No. 857, as amended, with principal office at 6th Floor, PPA Head Office Building A, Bonifacio Drive, South Harbor, Port Area, Manila, and having custody of the Board records of the PPA, do hereby certify:

That during the 210th Meeting of the Board Committee held on 25 July 2008 at the Board Room, 6th Floor, PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

*BoardCom Resolution No. 2008-1144*

*“RESOLVED, That on motion duly made and seconded, and considering the need to rationalize the present rental rates on PPA’s real estate properties at the Manila North Harbor due to the application or collection of different rental rates for similarly situated leases or tenants, ballooning collectibles as a result of protests raised by the lessees on the rental rate adjustments implemented by PPA through the years and to finally minimize disputes and save PPA from protracted and burdensome intervention of judicial processes, the recommendation of Management to implement a uniform rental rate for the Manila North Harbor, be, as it is hereby approved, subject to the following conditions:*

- 1. PPA will implement a uniform rental rate, using the PLSA compromise rate of Php 80.00/sq.m/month as interim rate applicable to all real estate areas of North Harbor, including Slip-0;*
- 2. A different rental rate shall be imposed for improvements or buildings leased from PPA;*
- 3. The Interim Rental Rate of Php 80.00/sq.m/month shall be implemented thirty (30) days after publication in a newspaper of general circulation and shall have an effectivity of one (1) year; and*
- 4. All arrearages of the lessees or tenants concerned will have to be settled with PMO North Harbor.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 28th day of July 2008, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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**SECRETARY 'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Corporate Board Secretary of the Philippine Ports Authority (PPA), a government instrumentality attached to the Department of Transportation and Communications, created by virtue of Presidential Decree No. 857, as amended, with principal office at 6th Floor, PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, and having custody of the Board records of the PPA, do hereby certify:

That during the 212th Meeting of the Board Committee held on 29 September 2008 at the Board Room, 6th Floor, PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted:

*BoardCom Resolution No. 2008-1151*

*“RESOLVED, That on motion duly made and seconded, the recommendation of Management to apply to all lessees/tenants at the Manila North Harbor who are non-PLSA members the PLSA formula on rental rates approved under Board Resolution No. 2005-986, be, as it is hereby approved, subject to the following conditions:*

1. *Except as herein enumerated, the applicable rental rates shall be as follows :*

<u>Year</u>	<u>Rate/Square Meter</u>
1998	P 21.00
1999	P 25.50
2000	P 32.50
2001	P 39.50
2002	P 50.00
2003	P 55.00
2004	P 60.50
2005	P 66.50
2006	P 70.00
2007	P 80.00
2008	P 80.00

2. *The above rental rates shall not apply to the following lessees/tenants;*

- 2.1 *Lessees at Slip-0 - whose special condition in their contracts provide an obligation to invest and pour in some development at the Slip 0 area. Said contracts shall be reviewed and a separate recommendation will be submitted by the committee or Management.*
- 2.2 *Aboitiz Transport System at MSW Area – which holds a special permit to occupy the same as approved by former President Estrada. The occupancy will expire once a new terminal operator shall have taken over the operations at North Harbor. The occupancy is also the subject of a pending case between PPA and ATS.*

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- 2.3 *NENACO - The application of the PLSA formula for the arrearages of Negros Navigation Company shall only apply effective April 2004 and thereafter. Payment or settlement of all its back accounts prior to April 2004 shall be in accordance with the court-approved payment scheme under the rehabilitation case filed by NENACO.*
3. *As in the PLSA formula, the North Harbor tenants/lessees must further comply or undertake the following:*
- 3.1 *Enter into individual compromise agreement with PPA to avail of PLSA-based rental rates within 60 days from notice;*
- 3.2 *All arrears or back accounts must be settled within fifteen (15) days from execution of the Compromise Agreements;*
- 3.3 *No interest and penalties shall be charged for the arrearages from 1998 to present;*
- 3.4 *Overpayments, if any, shall be charged to future rentals.*
4. *This proposed scheme shall be subject to OGCC review and approval.*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 30th day of September 2008, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Corporate Board Secretary of the Philippine Ports Authority (PPA), a government instrumentality attached to the Department of Transportation and Communications, created by virtue of Presidential Decree No. 857, as amended, with principal office at PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, and having custody of the Board records of the PPA, do hereby certify:

That, during the 360th Regular Meeting of the Board of Directors of the Philippine Ports Authority held on 21 October 2009 at the 6th Floor PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, the following Resolution was adopted;

**RESOLUTION NO. 2204**

*“RESOLVED, That on motion duly made and seconded, and as recommended by the Committee on Contingent Accounts and Management, the existing Guidelines on the Compromise Rental Rates on Lands at Manila North Harbor, as prescribed in BoardCom Resolution No. 2008-1151, adopted and confirmed by Board Resolution No. 2158, be, as it is hereby revised, in the following manner:*

- 1. The rental rate of Php 80.00 which was previously prescribed until September 2009 shall be extended until September 2010;*
- 2. The maximum term of payment shall be three (3) years; and*
- 3. All fully paid rental accounts shall not be disturbed;*

*RESOLVED FURTHER, That the General Manager, be, as he is hereby authorized, to issue pertinent revised guidelines.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 22nd of October 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

# REVENUE COLLECTION

July 14, 2009

PPA MEMORANDUM ORDER  
NO. 43 - 2009

TO : All Port District Managers  
All Port Managers  
All RC Heads Concerned

SUBJECT : Compromise Payment Scheme for Dormant Accounts

**1. Authority**

- 1.1. Sec 6.a) (iii) Presidential Decree No. 857, as amended
- 1.2. Board Resolution No. 2188 (See page 297) issued on May 25, 2009
- 1.3. BoardCom Resolution No. 2009-1186 (See page 295) dated May 25, 2009

**2. Purpose**

This Memorandum Order is issued to expedite and facilitate the collection of dormant accounts without resorting to lengthy and costly judicial proceedings.

**3. Coverage**

This Memorandum Order is a collection program which covers all dormant accounts (over 365 days old), except the dormant rental billings in PMO North Harbor which are covered by separate orders under PPA Memorandum Order No. 03-2009 (See page 256) and PPA Memorandum Order No. 20-2009 (See page 263).

**4. Guidelines**

- 4.1. BoardCom Resolution No. 2009-1186 prescribed the following schemes of payment for dormant accounts:
  - 4.1.1. Zero (0%) percent interest and penalty charges on those who made previous full payment on their principal obligations as well as those who will make full payment within 30 days from receipt of the latest Notice of Collection.
  - 4.1.2. For those who cannot pay in full within 30 days, their accounts may be restructured under the following conditions:
    - 4.1.2.1. Initial Payment of at least 25% of the total amount due to PPA;
    - 4.1.2.2. Balance to be restructured within a maximum period of two (2) years; and



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4.1.2.3. Execute a Restructuring Agreement with PPA within 30 days from remittance of the initial payment.

4.1.2.3.1. Interest Rate and Penalty Charges

4.1.2.3.1.1. Simple interest of 6% per annum and penalty charge of 6% per annum from invoice date up to the date of the Restructuring Agreement, added and forming part of the principal restructured amount;

4.1.2.3.1.2. plus built-in interest of 6% per annum during the restructuring period; and

4.1.2.3.1.3. 0% penalty charges during the restructuring period

4.1.2.3.2. Charges for Defaulted Amortization

Defaulted amortization shall be charged interest of 12% per annum and penalty charges of 25% per annum in accordance with existing guidelines (PPA Administrative Order No. 01-02) [See Port Rules and Regulations 2002 page 122].

4.1.2.4 This Collection Program may be availed of only within three (3) months reckoned from the effectivity date of the guidelines.

## 5. Repealing Clause

This Memorandum Order repeals, amends or modifies all circulars, regulations and other issuances which are inconsistent herewith.

## 6. Effectivity

This Memorandum Order shall take effect within 30 days from the date of publication in the Office Gazette or any newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Philippine Star - July 23, 2009*

**Effectivity Date - August 21, 2009**

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Secretary of the Board Committee, as created by the Board of Directors of the Philippine Ports Authority (PPA), and having custody of the Board records of the said committee, do hereby certify:

That during the 220th Meeting of the Board Committee held on 22 May 2009 at the Meeting Room, Discovery Shores, Station 1, Balabag, Boracay Island, 5608 Malay, Aklan, the following Resolution was adopted:

**BoardCom Resolution No. 2009-1186**

*“RESOLVED, That on motion duly made and seconded, and to expedite the process of collecting long overdue account receivables, the request of the port users for reduction of interest rates and penalty charges from the prescribed rates of 12% per annum and 25% per annum, respectively, be, as it is hereby approved, as a one-time collection program, subject to the following schemes of payment:*

1. *Zero (0%) percent interest and penalty charges on those who made previous payments on their principal obligations as well as those who will make full payment within 30 days from receipt of the latest Notice of Collection.*
2. *For those who cannot pay in full within 30 days, their accounts may be restructured under the following conditions:*
  - 2.1 *Initial Payment of at least 25% of the total amount due to PPA;*
  - 2.2 *Balance to be restructured within a maximum period of two (2) years; and*
  - 2.3 *Execute a Restructuring Agreement with PPA within 30 days from remittance of the initial payment.*
    - 2.3.1 *Interest Rate and Penalty Charges*
      - 2.3.1.1 *Simple interest and penalty charges at the rate of 6% per annum each from invoice date up to the date of the Restructuring Agreement, added to and forming part of the principal restructured amount;*
      - 2.3.1.2 *plus built-in interest of 6% per annum during the restructuring period; and*
      - 2.3.1.3 *0% penalty charges during the restructuring period.*

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2.3.2 *Charges for Defaulted Amortization*

*Defaulted amortization shall be charged interest of 12% per annum and penalty charges of 25% per annum in accordance with the existing guidelines (PPA Administrative Order No. 01-02).*

3. *This one-time Collection Program may be availed of only within three (3) months reckoned from the date of publication of the guideline on said collection program.*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 25th day of May 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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**SECRETARY'S CERTIFICATE**

I, *DAVID R. SIMON*, duly designated Corporate Board Secretary of the Philippine Ports Authority (PPA), a government instrumentality attached to the Department of Transportation and Communications, created by virtue of Presidential Decree No. 857, as amended, with principal office at PPA Head Office Building, A. Bonifacio Drive, South Harbor, Port Area, Manila, and having custody of the Board records of the PPA, do hereby certify:

That, during the 355th Regular Meeting of the Board of Directors of the Philippine Ports Authority held on 22 May 2009 at the Meeting Room, Discovery Shores, Station 1, Balabag, Boracay Island, 5608 Malay, Aklan, the following Resolution was adopted:

**RESOLUTION NO. 2188**

*“RESOLVED, That on motion duly made and seconded BoardCom Resolution Nos. 2099-1186 to 2009-1191, as adopted during the 220th Meeting of the Board Committee, held on 22 May 2009, hereto attached and incorporated by reference, be, as they are hereby confirmed.”*

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this 25th day of May 2009, at the above-mentioned address.

(Sgd.) **ATTY. DAVID R. SIMON**  
Corporate Board Secretary

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# TAXATION

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September 30, 2009

**PPA ADMINISTRATIVE ORDER**

NO. 05 - 2009

**TO :** All Port District Managers, Port Managers, Shipping Companies, Cargo Handling Operators, Port Operators, RC Heads/Others Concerned

**SUBJECT :** Clarificatory Guidelines on Value Added Tax (VAT)

**1. Authority**

- 1.1. Republic Act (R.A.) No. 7716 dated May 5, 1997 as amended by R.A. 8241 and R.A. 9337
- 1.2. Revenue Memorandum Circular No. 20-88
- 1.3. Revenue Memorandum Circular No. 3-96
- 1.4. Revenue Memorandum Circular No. 8-99
- 1.5. Revenue Memorandum Circular No. 2-2004
- 1.6. Revenue Memorandum Circular No. 7-2006
- 1.7. Revenue Regulations No. 7-95
- 1.8. Revenue Regulations No. 8-2002
- 1.9. Revenue Regulations No. 16-2005
- 1.10. Revenue Regulations No. 4-2007
- 1.11. BIR Ruling No. 011-2006

**2. Coverage**

These guidelines cover all revenues collected by the Philippine Ports Authority.

**3. Purpose**

This is issued to ensure an efficient and accurate imposition and collection of Output VAT from PPA clients, from which the Input VAT paid by PPA to its suppliers and contractors can be recovered/reimbursed, and to ensure the proper remittance of any excess VAT to the Bureau of Internal Revenue (BIR) in compliance with R.A. No. 7716, as amended by R.A. 8241 and R.A. 9337.

**4. Definition of Terms**

- 4.1. **Revenues Subject to 12% VAT** includes all receipts of PPA for the rendition of port services, leasing of properties, and all other non-traditional revenues earned from its regular course of business, except for zero-rated and effectively zero-rated revenues as defined herein.
- 4.2. **Zero-Rated Revenues** are revenues subject to 0% VAT which pertains to revenue from services rendered to persons engaged in international shipping or air transport operations, including lease of property for use thereof; *Provided*, however, that the services referred to herein shall not pertain to those made to common carriers by air and sea relative to their transport of passengers, goods or cargoes from one place in the Philippines to another place in the Philippines, the same being subject to 10% VAT (12% VAT effective February 2006) under Sec. 108 of the Tax Code.

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- 4.3. **Effectively Zero-Rated Revenues** are revenues subject to 0% VAT on services rendered to a person or entity granted indirect tax exemption under special laws or international agreement, subject to the conditions and period imposed by BIR.

The seller/revenue earner (PPA-PMO) must seek prior approval or prior confirmation of the BIR so that a transaction is qualified for effective zero-rating. Without an approved application for effective zero-rating, the transaction otherwise entitled for zero-rating shall not be allowed tax credit of Input VAT on purchases/expenditures of PPA.

- 4.4. **VAT-Exempt Revenues** refer to the revenue from the sale of goods or properties and/or services and the use or lease of properties that is not subject to VAT (Output VAT). The seller/revenue earner is not allowed any tax credit of Input VAT on its purchases/expenditures.

## 5. **VAT Taxability of PPA Revenues Pursuant to BIR Ruling No. 011-2006**

By virtue of BIR Ruling No. 011-2006 issued by the Bureau of Internal Revenue for the Philippines Ports Authority, clarifying the applicability of the VAT laws and its implementing guidelines to port services, provided herein are the following kinds of revenues for VAT taxation purposes.

### 5.1. **Revenues Subject to 12% VAT**

All revenues of PPA are subject to 12% VAT except the Zero-Rated Revenues and Effectively Zero-Rated Revenues, as provided in Sections 5.2 and 5.3 hereof, to wit:

#### **Cargo Charges (foreign and domestic cargoes)**

- 5.1.1. Wharfage Dues
- 5.1.2. Storage Fees

#### **Vessel Charges on vessels engaged in domestic trade**

- 5.1.3. Usage Fees
- 5.1.4. Lay-up Fees
- 5.1.5. Vessel Traffic Management Service Fees
- 5.1.6. Government Share on Stevedoring Fees
- 5.1.7. Government Share on Pilotage Fees
- 5.1.8. Other vessel charges on vessels engaged in domestic trade

#### **Other Charges**

- 5.1.9. Government Share on the gross income (arrastre, stevedoring and other cargo handling charges) collected by and remitted to PPA by Cargo Handling Operators/Terminal Operators in the form of fixed fees, variable fees and/or percentage government share.
- 5.1.10 Rental/lease charges on the land, reclaimed areas, buildings, warehouses, transit sheds, dredgers, cargo handling equipments, heavy machineries and other properties.

Advance rental, which constitute a pre-paid rental, is subject to 12% VAT upon receipt of such payment.

Rental deposit, being in the nature of security deposit (recorded as Customers Deposit), is

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not subject to VAT at the time of its receipt, however, it shall be subject to 12% VAT at the time it is applied to rental payment.

For expediency, PPA may collect the amount equivalent to 12% VAT and record it likewise as Customers Deposit so that upon application to rental payment or other monetary obligations of the lessee, that amount will be recorded and remitted to BIR as Output VAT without the need for additional collection from the lessee.

- 5.1.11. Management/Commitment/Collection Fees
- 5.1.12. Professional/Consultancy Fees
- 5.1.13. Service Contract Fees
- 5.1.14. Electricity and Water Consumption Charges
- 5.1.15. Permit Fees
- 5.1.16. Private Port Privilege Fees
- 5.1.17. All other dues, fees and charges

## **5.2. Revenues Subject to 0% VAT (Zero-Rated Revenues)**

The following charges on services rendered to persons **engaged in international shipping** are zero-rated provided that it is directly collected by PPA and issued PPA Official Receipts (Zero-Rated) with the Payee indicated as:

- “Name of Vessel Owner” with TIN of Vessel Owner; or
- “Names of Vessel Owner(Charterer)” with TIN of Charterer; or
- “Names of Vessel Owner (Ship Agent)” with TIN of Ship Agent

- 5.2.1. Port Dues
- 5.2.2. Dockage Fees
- 5.2.3. Lay-up Fees
- 5.2.4. Vessel Traffic Management Service Fees
- 5.2.5. Government Share on Stevedoring Fees directly collected and receipted by PPA
- 5.2.6. Government Share on Pilotage Fees directly collected and receipted by PPA
- 5.2.7. Other vessel charges on vessels engaged in international trade

The Government Share remitted by a Service Provider and receipted by PPA, with the PPA Official Receipt issued under the name of the Service Provider, is subject to 12% VAT since the nature of the transaction has changed to rendition of collection service as a business agent.

## **5.3. Revenues which are Effectively Zero-Rated**

The following port charges are effectively zero-rated provided they are directly collected by PPA and issued PPA Official Receipts under the name of the cargo owner and subject to the conditions and period approved by BIR, to wit:

- 5.3.1. Port Charges on services **rendered inside the Economic Zone** to persons or entities who are tax-exempt under special laws such as PEZA/SBMA/CDC registered enterprises but subject to the conditions and period approved by BIR.
- 5.3.2. Port Charges on services rendered to persons or entities **covered by international agreement** to which the Philippines is a signatory such as Asian Development Bank (ADB), International Rice Research Institute (IRRI), foreign embassies, etc. but limited to the period covered by the BIR approval.

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#### 5.4. Revenues which are VAT Exempt

There are no more VAT-exempt port charges/revenues of PPA upon the effectivity of Revenue Memorandum Circular No. 2-2004.

The enumeration of VAT-Exempt Transactions under Section 4 of R.A. No. 7716/Section 4 of R.A. No. 8241/Section 7 of R.A. No. 9337 do not include any port-related services.

#### 5.5. *Illustration: Sample I*

M/V Foreign Vessel owned by XYZ Foreign Shipping Line berthed at the port of Davao and proceeded to the Port of Zamboanga to unload foreign cargoes thereat.

##### PMO Davao

Payee	:	XYZ Foreign Shipping Line
Vessel	:	M/V Foreign Vessel ( <b>unloading</b> )
Vessel Charges	:	Port Dues + 0% VAT Dockage Fee + 0% VAT Government Share on Stevedoring Fees + 0% VAT
Cargo Charges	:	Wharfage Fee + 12% VAT

##### PMO Zamboanga

Payee	:	XYZ Foreign Shipping Line
Vessel	:	M/V Foreign Vessel ( <b>unloading</b> )
Vessel Charges	:	Port Dues + 0% VAT Dockage Fees + 0% VAT Government Share on Stevedoring Fees + 0% VAT
Cargo Charges	:	Wharfage dues + 12% VAT

#### *Illustration: Sample II*

M/V Foreign Vessel owned by XYZ Foreign Shipping Line berthed at the Port of Davao and unloaded foreign cargoes. Portion of the foreign cargoes are loaded to M/V Domestic Vessel and unloaded the foreign cargoes at Port of Zamboanga.

##### PMO Davao

Payee	:	XYZ Foreign Shipping Line
Vessel	:	M/V Foreign Vessel ( <b>unloading</b> )
Vessel Charges	:	Port Dues + 0% VAT Dockage Fee + 0% VAT Government Share on Stevedoring Fees + 0% VAT
Cargo Charges	:	Wharfage Fee + 12% VAT

Payee	:	ABC Domestic Shipping Line
Vessel	:	M/V Domestic Vessel ( <b>loading</b> )
Vessel Charges	:	Usage Fees + 12% VAT Government Share on Stevedoring Fees +12% VAT
Cargo Charges	:	Wharfage dues + 12% VAT



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**PMO Zamboanga**

Payee	:	ABC Domestic Shipping Line
Vessel	:	M/V Domestic Vessel ( <b>Unloading</b> )
Vessel Charges	:	Usage Fees + 12% VAT
		Government Share on Stevedoring Fees + 12% VAT
Cargo Charges	:	Wharfage dues + 12% VAT

**6. Guiding Policies**

- 6.1. The VAT law provides that VAT is an indirect tax which can be legally shifted or passed on to the buyer, transferee or lessee of the goods, properties or services.
- 6.2. For the port tariff, fees and dues which are subject to 12% VAT but quoted exclusive of VAT, the 12% VAT shall be levied/collected in addition to the basic tariff/charges.
- 6.3. In cases where fees/dues like terminal fee, parking fee, etc. are agreed with the port user-industry to be VAT-inclusive, the basic revenue and the corresponding VAT shall be separated/computed as follows:

Illustration:

VAT inclusive Terminal fee	P	25.00
12% VAT (computed: P25 ÷ VAT factor(9.33333))	P	2.68
Basic Revenue/Terminal Fee	P	22.32

- 6.4. The imposition of the 12% VAT shall always be based on the amount of the basic revenue.
- 6.5. It is understood that a transaction exempted from port charges has no tax base, hence, there is no corresponding VAT.
- 6.6. Any partial payment for "port charge/revenue subject to 12% VAT" shall always be treated as "revenue + 12% VAT"

To Illustrate:

Port Charges/Revenue	P	2,000.00
12% VAT		<u>240.00</u>
Total Amount Due	P	<u>2,240.00</u>

Port user made partial payment of P2,000.00 only; The payment shall be recorded as:

Cash	P	2,000.00
12% VAT (computed as: P2,000÷VAT Factor 9.33333)		<u>214.29</u>
Port Charges/Revenue	P	<u>1,785.71</u>
Accounts Receivable-Trade	P	240.00
12% VAT (computed as: P240.00÷VAT Factor 9.33333)		<u>25.71</u>
Port Charges/Revenue	P	<u>214.29</u>

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**7. Reporting Mechanics**

- 7.1. Section 4.114-1D of Revenue Regulations No. 16-2005 provides that only one consolidated VAT Declaration and VAT Return shall be filed by a company for all the branches and lines of businesses subject to Value Added Tax for every return period.
- 7.2. The detailed mechanics for the centralized electronic reporting, filing and remittance of Value Added Tax are prescribed in PPA Finance Memorandum Order No. 03-2007 entitled "Revised Guidelines on the Preparation, Filing and Remittance of the Value Added Tax" and its amendments.

**8. Repealing Clause**

This Administrative Order amends PPA Memorandum Circular No. 08-2004 and all the other PPA Orders, Circulars and issuances or provisions thereof inconsistent herewith are hereby amended/modified accordingly.

**9. Effectivity**

This Order shall take effect immediately.

For strict compliance.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

# **VESSEL OPERATIONS**

March 06, 2009

**PPA ADMINISTRATIVE ORDER**  
**NO. 01 - 2009**

**TO :** All PDO Managers  
PMO Managers  
Shipping Companies  
Shipmasters  
Harbor Pilots  
Port Users  
Others Concerned

**SUBJECT :** Authorizing PPA to Designate and Administer Lay-up Areas for Foreign Vessels in PPA Ports

Pursuant to Sections 6.a (ii), (v), and 20 of PD 857, PPA Administrative Order (AO) No. 07-89 (See Port Rules and Regulations, Vol. 3, page 65), as amended by PPA AO No. 08-89 (See Port Rules and Regulations Vol. 3 page 80) was issued designating the lay-up areas as well as the applicable port charges for laid-up domestic and foreign vessels in the different ports administered by PPA.

The PPA Board, in its BoardCom Resolution No. 2009-1169 (See page 201), confirmed PPA's function and responsibility of designating lay-up areas for foreign vessels in the different ports administered by PPA, approved the fixing and imposition of a nominal lay-up fee of US\$91.00 per day per foreign vessel regardless of size and directed that coordination be made with concerned and pertinent government offices in the easing up of normal administrative requirements relative to the entry, lay-up and departure of vessel and crew up to and from Philippine ports.

All issuances inconsistent herewith are hereby amended.

This Order shall take effect immediately after its publication in a newspaper of general circulation.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

*Published in the Manila Standard - March 9, 2009*

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July 01, 2009

**PPA OPERATIONS MEMORANDUM CIRCULAR**  
**NO. 06 - 2009**

**TO :** All Port District Managers/Port Managers  
Shipping Lines/Companies/Agents  
Terminal Operators/Cargo Handlers  
Harbor Pilots/Association and Others Concerned

**SUBJECT :** Guidelines on Resumption of Direct Berthing  
Privileges (Controlled Free Pratique)

In line with public health measures on the Influenza A(H1N1) and in response to clamor of shipping lines for screening measures without causing undue delay in port operations, the strict observance and implementation of the attached 25 June 2009 Bureau Of Quarantine (BOQ) Memorandum by Dr. Edgardo C. Sabitsana, BOQ Director, is hereby directed in ports nationwide. Said Memorandum entitled "Resumption Of Direct Berthing (Controlled Free Pratique) For Ocean-Going Merchant Vessel" provides that the Direct Berthing Request (Controlled Free Pratique) shall be granted on a case-to-case basis under the prerequisites and conditions prescribed therein.

It is emphasized to all concerned that under direct berthing privileges, only vessels with an approved Controlled Free Pratique shall be allowed to enter the port. After the vessel has been granted Controlled Free Pratique, the Harbor Pilot shall conduct pilotage service by bringing in the vessel to her assigned berth. The Harbor Pilot shall take all precautionary measures and are advised not to render pilotage if with fever or influenza-like illness. The incoming vessel shall continue to fly the Quarantine Yellow Flag until cleared by the Quarantine Officer.

Upon docking at its assigned berth, the vessel shall be boarded first by the Quarantine Medical Officer. The Harbor Pilot shall wait and disembark only together with the Quarantine Medical Officer and only after the Free Pratique has been granted. Only then shall other authorities/persons be allowed to embark/disembark after the Free Pratique has been granted. All quarantine protocols shall still apply and suspected cases of the Influenza A(H1N1) shall be immediately reported and coordinated with the Bureau of Quarantine.

For guidance and immediate compliance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**  
Assistant General Manager for Operations

Encl : BOQ Memorandum dated 25 June 2009

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Republic of the Philippines  
Department of Health  
**BUREAU OF QUARANTINE**  
25<sup>th</sup> and A. C. Delgado Streets  
Port Area, Manila

**MEMORANDUM**

**TO :** ALL CONCERNED

**FROM :** (Sgd.) EDGARDO C. SABITSANA, MD, MPH,  
Director IV, CESO III

**SUBJECT :** Resumption of Direct Berthing (Controlled Free Pratique)  
For Ocean-Going Merchant Vessel

**DATE :** 25 June 2009

In line with the Bureau's thrust of minimal interference to trade and in response to the clamor of the shipping lines for an efficient way of implementing screening measures without causing undue delay in port operations and taking into consideration public health interest;

Wherein ocean-going merchant vessel ordinarily has a crew compliment of 25 – 40 persons more or less that can be appropriately handled by the Quarantine Medical Officer at pier-side (berth) with the on-going health measures for Influenza A(H1N1).

Direct Berthing Request (Controlled Free Pratique) shall be granted on a case-to-case basis with the following prerequisites and directives:

1. A duly accomplished direct berthing request (Controlled Free Pratique) shall be applied with the Bureau of Quarantine at least Forty-eight (48) hours prior to the arrival of vessel accompanied by a list of port of call (Voyage Memo) during the last two (2) weeks;
2. Only vessels with an approved direct berthing request (Controlled Free Pratique) shall be allowed to enter the port. Said Vessel shall fly the yellow flag;
3. At berth, it is understood that the vessel shall be boarded first by the Quarantine Medical Officer. It is emphasized that only after a free pratique is granted will all other persons be allowed to embark or disembark;
4. Harbor pilots are to take the necessary precautionary measures and advised not to render duty if they have fever or influenza-like illness. It is understood that the harbor pilot shall wait and disembark only together with the Quarantine Medical Officer and only after the free pratique is granted;
5. The Master shall report in advance any medical related case/s, emergencies, death on board her vessel. The required maritime health declaration and other health documents shall be accomplished and submitted to the quarantine medical officer;
6. Passenger liners are excluded in this memo and shall follow previous arranged protocol.
7. All Government port authorities and agencies are encouraged to assist in implementing this memorandum;
8. The Director of Quarantine reserved the right to revoke direct berthing request anytime depending on certain condition of public health interest.

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All orders, memoranda and/or Bureau of Quarantine issuances in conflict herewith are hereby rescinded, revised or modified accordingly.

This memorandum shall take effect on 01 July 2009.

For compliance.

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October 08, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 20 - 2009**

**TO :** All PDO/PMO Managers, Shipping Lines/Agents,  
Harbor Pilots Associations, Cargo Handling Operators,  
And Others Concerned

**SUBJECT :** Clarification on The Conduct of Berthing Meeting

In order to further enhance port efficiency in the ports under the jurisdiction of the Authority, the following clarificatory statements are hereby issued for the guidance of all concerned:

1. Pursuant to Section 29 of PPA Administrative Order No. 13-77 otherwise known as the "General Port Regulations" and Article II of PPA Administrative Order No. 04-83 entitled "Guidelines in the Issuance of Berthing Instructions to Vessels Engaged in Coastwise Trade", the conduct of berthing meeting shall be mandatory for purposes of berth allocation.
2. In ports that have adequate berthing facilities, a vessel shall be given a berth allocation upon application for berth by the ship's agent.
3. Regular-run vessels, such as fast crafts and Ro-Ro, may be given a pre-approved berth allocation upon issuance of a monthly berthing permit.

For your guidance.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

## OTHER ISSUANCES

March 17, 2009

### MEMORANDUM

**TO :** All PDO/PMO Managers  
**FROM :** The AGM for Operations  
**SUBJECT :** Dissemination of IMO.3/CIRC. /94 Entitled "Principles Relating to Administrative Procedures for Disembarking Persons Rescued at Sea"

Disseminated is the attached copy of the 20 February 2009 letter from Ambassador Leonides T. Caday, Senior Foreign Affairs Adviser and Officer-in-Charge, Office of the Undersecretary for Special and Ocean Concerns, Department of Foreign Affairs regarding IMO FAL. 3/Circ. 194 concerning the administrative procedures for "Disembarking Person Rescued at Sea."

For your information and guidance.

(Sgd.) **LEOPOLDO F. BUNGUBUNG**

Encl. A/S

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Department of Foreign Affairs  
OFFICE OF THE UNDERSECRETARY FOR SPECIAL AND OCEAN CONCERNS

#### OCEAN CONCERNS OFFICE

20 February 2009

Sir:

Enclosed, for your information and appropriate action, is a copy of FAL.3/Circ.194 dated 22 January 2009 entitled Principles Relating to Administrative Procedures for Disembarking Persons Rescued at Sea, which was approved by the IMO Facilitation Committee at its 35th session in January 2009 in London.

As indicated in the said Circular, the Philippine Government is urged to ensure that its administrative procedures are in accordance with the aforementioned principles.

Very truly yours,

(Sgd.) **AMB. LEONIDES T. CADAY**  
Senior Foreign Affairs Adviser  
and Officer-in-Charge

Enclosure: a/s

**Atty. OSCAR M. SEVILLA**  
General Manager  
Philippine Ports Authority  
Mosserco Bldg., PPA Training Center  
Gate 4, South Harbor, Port Area,  
Manila



**PRINCIPLES RELATING TO ADMINISTRATIVE PROCEDURES FOR  
DISEMBARKING PERSONS RESCUED AT SEA**

1. The Facilitation Committee, at its thirty-second (4 to 8 July 2005), thirty-third (3 to 7 July 2006) and thirty-fourth (26 to 30 March 2007) sessions, discussed the problems connected with disembarking persons rescued at sea. The discussions highlighted and emphasized the importance of the issue.
2. The Committee, at its thirty-fifth session (12 to 16 January 2009), acknowledging the necessity for Member Governments to have common ground regarding the administrative procedures for disembarking persons rescued at sea, identified the following five essential principles that Member Governments should incorporate into their administrative procedures for disembarking persons rescued at sea in order to harmonize the procedures and make them efficient and predictable:
  1. The coastal States should ensure that the search and rescue (SAR) service or other competent national authority coordinates its efforts with all other entities responsible for matters relating to the disembarkation of persons rescued at sea;
  2. It should also be ensured that any operations and procedures such as screening and status assessment of rescued persons that go beyond rendering assistance to persons in distress are to be carried out after disembarkation to a place of safety. The master should normally only be asked to aid such processes by obtaining information about the name, age, gender, apparent health and medical condition and any special medical needs of any person rescued. If a person rescued expresses a wish to apply for asylum, great consideration must be given to the security of the asylum seeker. When communicating this information, it should therefore not be shared with his or her country of origin or any other country in which he or she may face threat;
  3. All parties involved (for example, the Government responsible for the SAR area where the persons are rescued, other coastal States in the planned route of the rescuing ship, the flag State, the shipowners and their representatives, States of nationality or residence of the persons rescued, the State from which the persons rescued departed, if known, and the United Nations High Commissioner for Refugees (UNHCR) should cooperate in order to ensure that disembarkation of the persons rescued is carried out swiftly, taking into account the master's preferred arrangements for disembarkation and the immediate basic needs of the rescued persons. The Government responsible for the SAR area where the persons were rescued should exercise primary responsibility for ensuring such cooperation occurs. If disembarkation from the rescuing ship cannot be arranged swiftly elsewhere, the Government responsible for the SAR area should accept the disembarkation of the persons rescued in accordance with immigration laws and regulations of each Member State into a place of safety under its control in which the persons rescued can have timely access to post rescue support;
  4. All parties involved should cooperate with the Government of the area where the persons rescued have been disembarked to facilitate the return or repatriation of the persons rescued. Rescued asylum seekers should be referred to the responsible asylum authority for an examination of their asylum request; and,
  5. International protection principles<sup>1</sup> as set out in international instruments should be followed.
3. Member Governments are urged to ensure that their administrative procedures are in accordance with the principles set out in this circular, and to convey the information in this circular to the relevant competent national authorities.

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<sup>1</sup> These include obligations not to return persons, where there are substantial grounds for believing that there is a real risk of different forms of irreparable harm, which may be derived from international human rights law. For example, article 33(1) of the 1951 Convention relating to the Status of refugees provides: "No Contracting State shall expel or return ("refouler") a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group or political opinion." Article 3(1) of the 1984 Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment provides: "No State Party shall expel, return ("refouler") or extradite a person to another State where there are substantial grounds for believing that he would be in danger of being subjected to torture."

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March 27, 2009

**PPA MEMORANDUM CIRCULAR**  
**NO. 04 - 2009**

**TO :** All Port District Managers  
All Port Managers  
Others Concerned

**SUBJECT :** 20% Discounts for Senior Citizens and Students on Passenger  
Terminal Fees in All PPA Ports

Pursuant to Republic Act No. 9257 or the Expanded Senior Citizens Act of 2003, the Authority grants 20% discounts for all embarking senior citizen passengers in all PPA ports.

Likewise, students shall be extended a similar discount on passenger terminal fee. However, discounts for students are provided only during the school years (June-March).

Only senior citizens and students with valid Identification Card will be given the twenty (20%) percent discount.

All concerned field offices are enjoined to implement this Circular fifteen (15) days after its publication in at least two (2) newspapers of general circulation

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

Published in the following newspapers:

*Philippine Star*  
*Manila Standard* - April 2, 2009

**Effectivity Date - April 17, 2009**

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April 14, 2009

**MEMORANDUM**

**TO :** All Port District Managers  
All Port Managers  
Others Concerned

**SUBJECT :** Guidelines on the Receipting of the 20% Discount Granted to Senior Citizens and Students

Pursuant to PPA Memorandum Circular No. 04-2009 (See page 311), granting 20% Discount to Senior Citizens and Students on passenger Terminal Fees, the following guidelines are hereby prescribed.

1. The Terminal Fee Tickets that shall be used to implement the cited Memorandum Circular shall be the same as the regular Terminal Fee Tickets currently being issued by the respective PMOs.
2. All Senior Citizens and students availing of the 20% discount on passenger terminal fees shall present their OSCA I.D. or School I.D. to the Collecting Officers and fill up and affix their signatures on the attached Summary List (Annex A).
3. Terminal Fee Tickets issued to qualified Senior Citizens and students shall be rubber stamped with “**20% discounted – R.A. 9257**” and the corresponding discounted fee shall be collected by Collecting Officer.

Example: Terminal Fee Tickets with P20.00 denomination shall be rubber stamped with “20% discounted – R.A. 9257,” and P16.00 shall be collected.

4. At the end of the duty of Collecting Officer, an Official Receipt shall be issued for the total Terminal Fee Tickets issued for the day and a Report of Collections shall be prepared with the attached Summary List of Terminal Fee Tickets granted the 20% discount showing the total discounts amount for accounting and auditing purposes.

For compliance,

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

SUMMARY LIST OF TERMINAL FEE TICKETS ISSUED TO IMPLEMENT RA 9257

ANNEX "A"

DATE: \_\_\_\_\_

TERMINAL FEE TICKET NO.	NAME	ID NO.	OSCA UNIT/NAME OF SCHOOL	SIGNATURE

Total Number of tickets issued \_\_\_\_\_  
Total equivalent Amount of Discount P \_\_\_\_\_

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September 01, 2009

**PPA MEMORANDUM CIRCULAR**

No. 14 - 2009

**TO :** All Responsibility Center Heads  
All Others Concerned

**SUBJECT :** GUIDELINES TO IMPLEMENT COA CIRCULAR 2009-002  
Re: Reinstating Selective Pre-Audit on Government Transactions

**1.0 LEGAL BASIS**

- 1.1 COA Circular No. 2009-02 dated May 18, 2009.
- 1.2 Section 16(a), P.D. 857, as amended.
- 1.3 Sec. 11, Chapter 4, Subtitle B, Book V, EO 292

**2.0 OBJECTIVES**

- 2.1 Uniform implementation of the re-institution of pre-audit activities by various PPA Responsibility Centers.

**3.0 DEFINITION AND GENERAL SCOPE OF COA PRE-AUDIT AND POST AUDIT**

- 3.1 Pre-audit is the examination of documents supporting a transaction or series of transactions before these are paid for and recorded.

Pre-audit operates to:

- 3.1.1 determine that the proposed expenditure is for a purpose in compliance with the appropriation law, other specific statutory authority and regulations;
  - 3.1.2 assure that sufficient funds are available to enable payment of the claim;
  - 3.1.3 initially determine that the proposed expenditure is not illegal, irregular, extravagant, excessive, unconscionable or unnecessary;
  - 3.1.4 determine that the transaction is approved by proper authority and duly supported by authentic underlying evidences;
  - 3.1.5 determine whether the requirements of applicable laws, rules and regulations covering contracts were substantially complied with.
- 3.2 Post audit covers the same areas and supplemented by tracing the transaction under audit to the books of accounts. It also includes a final determination that the transaction is not illegal, irregular, extravagant, excessive, unconscionable or unnecessary. In general and wherever practical, the scope of post audit work covers all areas identified in the risk assessment and embraces financial, compliance, and value-for-money audits. Transactions subjected to pre-audit shall be post audited

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without performing the audit procedures previously undertaken in pre-audit, unless there is compelling reason to re-perform the same.

#### **4.0 COVERAGE**

4.1 The following PPA transactions are covered by pre-audit:

- 4.1.1 Cash advances;
- 4.1.2 Payments of salaries and terminal leaves;
- 4.1.3 Payments for infrastructure projects;
- 4.1.4 Payments for road right of way;
- 4.1.5 Payments for procurement of capital assets, goods and services;
- 4.1.6 Transfer of funds between government agencies;
- 4.1.7 Disposal of property and unserviceable property.

#### **5.0 SPECIFIC ACTIVITIES OF PRE-AUDIT COVERAGE**

##### **5.1 Cash Advances**

- 5.1.1 Except for cash advances for payroll, intelligence funds, petty cash funds, and those granted for local expenses of officers and employees, all other cash advances including those for foreign travels funded out of the local funds regardless of amounts shall pass through pre-audit.
- 5.1.2 The liquidation of cash advances shall first be audited and the corresponding Credit Notice issued before the same shall be taken up in the books.
- 5.1.3 The grant of cash advance and their liquidation shall be governed by the following guidelines and by the provisions of COA Circular No. 97-002 dated February 10, 1997 which are not inconsistent herewith:
  - 5.1.4 No cash advance shall be given unless for legally authorized specific purpose.
    - (i) No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him is first liquidated and accounted for in the books.
    - (ii) A cash advance shall be liquidated/reported on as soon as the purpose for which it was granted has been served.
    - (iii) Except for cash advances for travel, no officer or employee shall be granted cash advance unless he is properly bonded in accordance with law or regulations. The amount of cash advance which may be granted shall not exceed the maximum cash accountability covered by his bond.
    - (iv) Only permanently appointed and duly designated disbursing officers shall be granted cash advance. However, these requirements shall not apply to cash advances for travel.
    - (v) Transfer of cash advance from one accountable officer to another shall not be allowed.
    - (vi) The cash advance shall be used solely for the specific purpose for which it was granted. Under no circumstances shall it be used for encashment of checks or for liquidation of a previous cash advance.

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- (vii) No cash advance shall be granted for payment on account of infrastructure projects or other undertaking on a project basis.
  - (viii) Cash advance for special time-bounded undertaking shall be liquidated by the accountable offices concerned within one month from the date the purpose of the cash advance was accomplished.
  - (ix) Cash advances which are no longer needed or have not been used for a period of two months shall be returned to or deposited immediately with the proper collecting officer or treasurer.
  - (x) All cash advances shall be fully liquidated at the end of each year. Except for petty cash fund, the accountable officer shall refund any unexpended balance to the cashier/collecting officer who shall issue the necessary official receipt

## **5.2 Payment of salaries and terminal leave benefits**

- 5.2.1 Pre-audit of payments of salaries shall apply only to the first payment after appointment by transfer or reinstatement, and to the last payment prior to transfer.
- 5.2.2 All payments of terminal leave benefits shall be subject to pre-audit.

## **5.3 Infrastructure Projects**

- 5.3.1 Infrastructure projects include the construction, improvement, rehabilitation, demolition, repair, restoration or maintenance of roads and bridges, railways, airports, seaports, communication facilities, civil works components or information technology projects, irrigation, flood control and drainage, water supply, sanitation, sewerage and solid waste management systems, shore protection, energy/power and electrification facilities, national buildings, school buildings, hospital buildings, and other related construction projects of the government (Section 5(n), IRR-A of RA No. 9184).
- 5.3.2 All infrastructure projects with contract amounts falling under the categories outlined below shall be covered by pre-audit.
  - (i) Head Office and Project Management Offices – P25 million and above
  - (ii) Port District and Port Management Offices – P10 million and above
- 5.3.3 Only the advance payments granted to contractors as well as the first and last progress billings of contracts for infrastructure projects the contract amount of which fall within the threshold as above indicated shall be subject to pre-audit. First progress billing represents claims made for the first collection on the work accomplished in a particular project. In the pre-audit of the last progress billing, all previous payments shall be considered.
- 5.3.4 All first payments of progress billings under a change order, extra work order, supplemental agreements, or any other form of variation order related to contracts subject to pre-audit under item 5.3.2., shall likewise be subject to pre-audit. However, where the amount of the variation order brings a contract not previously covered by pre-audit within the threshold established in item 5.3.2., the first payment under the variation order, as well as the last progress billing of the original contract, as modified or amended by the variation order, shall be subject to pre-audit.
- 5.3.5 All claims of contract price escalations regardless of amount shall be subject to pre-audit taking into consideration the guidelines provided in Government Procurement Policy Board

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Circular No. 03-2008 dated August 20, 2008 and such other existing regulations on the matter.

- 5.3.6 Inspections of construction project accomplishments shall be mandatory on the payment for the first and last progress billings. The Auditor may, however, conduct random on-the-spot inspection of on-going infrastructure projects or request inspection of projects at any time he may deem necessary.
- 5.3.7 The Auditor shall review the completeness of the supporting documents, its terms and conditions, the bidding procedures, necessity and validity of other alternative modes of procurement and manner of award to the winning bidder/contractor and such other relevant requirements provided in RA No. 9184 and its IRR.
- 5.3.8 Whenever practicable, the Auditor, after due referral, shall evaluate the reasonableness of the cost of the project or activity immediately upon receipt of the contract as provided in item 6.5 hereof. Provided that the final determination of such reasonableness shall in no case extend beyond twenty-one (21) working days from the time the contract and complete supporting documents are submitted for technical review.
- 5.3.9 These pre-audit guidelines shall equally apply to infrastructure projects undertaken in areas declared as under a state of emergency or calamity.

#### **5.4 Payments for road right-of-way**

- 5.4.1 All claims for road right-of-way shall be subject to pre-audit taking into consideration the provisions of RA No. 8974 and its implementing rules and regulations.

#### **5.5 Procurement of capital assets, goods and services**

- 5.5.1 Procurement of capital assets shall include land and buildings.
- 5.5.2 Procurement of goods and services includes acquisition of supplies, materials, general support services, labor, equipment and motor vehicles by the government, regardless of the source of funds. For this purpose, procurement of construction materials for projects implemented by administration shall be treated as procurement of goods and services and shall be subject to the same rules herein provided taking the total project cost, and not the individual transactions, as basis of its coverage in or exclusion from pre-audit.
- 5.5.3 General support services shall include only those which are recurring and fixed in nature, such as but not limited to rentals, janitorial and security services, and solid waste management regardless of the amount involved. Only the first payment for said services shall be subject to pre-audit. First payments involving extension of contracts shall also be pre-audited.
- 5.5.4 First and last payments of contracts entered into through any of the various modes of procurement involving an amount of at least P2 million shall be subject to pre-audit. Procurement between government agencies or instrumentalities shall be exempt from pre-audit.
- 5.5.5 Procurement of goods and services to address natural calamities or emergencies shall be subject to the pre-audit except procurement involving life saving medicines, food and other



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similar items which shall be exempt from pre-audit.

**5.6 Transfer of funds between and among government agencies**

5.6.1 All transfers of funds either thru funding check or bank transfer between and among bank accounts of government agencies or between different bank accounts of the same government agency regardless of amount shall be subject to pre-audit.

5.6.2 Fund transfers within and between government banks, transfers of funds to address an emergency or calamity, releases of funds from central office to operating units shall be exempt from pre-audit.

**5.7 Disposal of real property, unserviceable property and those no longer needed**

5.7.1 Pre-audit of disposal of real property shall cover only those undertaken through negotiated sales involving an amount of at least P1 million.

5.7.2 For unserviceable property and those no longer needed, only negotiated sales involving an amount of at least P500,000.00 whether valued individually or by lot shall be subject to pre-audit.

5.8 All other Disbursement Vouchers not covered by the selective Pre-audit of COA shall continue to be pre-audited by the respective units in PPA.

**6.0 DUTIES AND RESPONSIBILITIES OF CONCERNED PPA OFFICIALS AND EMPLOYEES**

6.1 Ensure that no transactions covered by this Circular are paid out without evidence of the pre-audit action of the COA Auditor concerned.

6.2 Submit to the COA Auditor all disbursement vouchers/documents for claims subject to pre-audit.

6.3 See that cash advances granted are liquidated within the prescribed period and liquidation submitted to the Auditor within ten (10) days from the date the liquidation document is received from the accountable officer.

6.4 Maintain complete and up-to-date subsidiary records of cash advances for each accountable officer to record the cash advances granted and liquidated.

6.5 Submit to the Auditor copies of contracts, purchase/letter orders, loan agreements, bond flotation/certificates of indebtedness, whether domestic or foreign, and appraisal reports of property for disposal including all supporting documents required in COA Circular No. 2009-001 dated February 12, 2009 and its annexes, for review, within five (5) days from their perfection.

6.6 Ensure that the disbursement vouchers are duly supported with the requisite documents for each specific claim and accompanied by a duly accomplished relevant checklist for technical review as provided in COA Circular No. 2009-001 dated February 12, 2009. If the supporting documents have been previously furnished to the Auditor pursuant to item 6.5, such fact shall be indicated in the accompanying document checklist. Any deficiency in the supporting documents shall cause the return of the documents by the Auditor without action, within twenty-four (24) hours, for completion or rectification of the deficiency.

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Disbursement Vouchers shall be forwarded to COA for pre-audit after the claim specified therein shall have been approved by the duly Authorized PPA official and before the check preparation.

- 6.7 See that no splitting of requisitions, purchase orders, vouchers, and the like, is resorted to, in order to circumvent the control measures provided in the COA Circular 2009-002 and other laws and regulations. For this purpose, a project funded under a single obligating authority and implemented in several phases whether by the same or different contractors shall be deemed splitting of contracts.
- 6.8 Furnish the auditor copies of delivery documents within twenty-four (24) hours after acceptance of deliveries of goods and services, regardless of whether or not the transaction is subject to pre-audit.
- 6.9 Ensure that negotiated sale of real property, unserviceable property and those no longer needed are resorted to only under circumstances authorized by existing laws and regulations.
- 6.10 Submit the PPA's duly approved Annual Procurement Plan (APP) and amendments thereto within the first quarter of each year. The Project Development Department shall be responsible for the submission.
- 6.11 Maintain a separate record/logbook of all transactions subject to and submitted to the auditor for pre-audit. The PDOs and PMOs shall each maintain one logbook. The Head Office shall maintain logbooks as follows:
  - (a) **Controllership Department** – for disbursement vouchers
  - (b) **Administrative Services Department** – for contracts on procurement of goods and services and for delivery documents
  - (c) **Project Development Department** – for the APP and contracts for infrastructure projects

## **7.0 EVIDENCE OF AUDIT ACTION**

### **7.1 Pre-Audit Stamp**

The pre-audit action shall be evidenced by a pre-audit stamp with the following words impressed upon the face of the disbursement voucher or disposal contract and their supporting documents: *Pre-audited pursuant to COA Circular No. 2009-002*, duly signed and dated by the Auditor

### **7.2 Credit Notice for Cash Advance**

Liquidation of Cash Advance shall be evidenced by a Credit Notice to be issued by the Auditor addressed to the accountable officer to inform the latter of the amount allowed in audit. In case of suspension or disallowance, a Notice of Suspension or Disallowance shall be issued. The amount allowed in audit as contained in the Credit Notice shall be deemed to have been settled.

## **8.0 PENALTY CLAUSE**

- 8.1 Any violation of the rules prescribed in item 4.1 shall render the accountable officer concerned liable under Section 128 in relation to Section 89 of P.D. No. 1445, and/or other applicable laws and administrative regulations.

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8.2 Transactions or claims covered by COA Circular 2009-002 which are not submitted for pre-audit by PPA official or employees concerned shall be a ground for COA in initiating administrative disciplinary action in accordance with Section 127 of P.D. No. 1445 and Section 55, Title I-B, Book V of the Revised Administrative Code of 1987, without prejudice to the disallowances of the transactions in post audit, if warranted.

**9.0 EFFECTIVITY**

This memorandum shall take effect on August 1, 2009.

(Sgd.) **ATTY. OSCAR M. SEVILLA**  
General Manager

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Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City, Philippines

**No. 2009-002**  
**Date. May 18, 2009**

**CIRCULAR**

**TO :** All Heads of Departments, Bureaus, Offices, Agencies and Instrumentalities of the National Government, Heads of Local Government Units, Managing Heads of Government-Owned and Controlled Corporations with Original Charters, COA Assistant Commissioners, COA Directors, COA Auditors and All Others Concerned

**SUBJECT :** Reinstating Selective Pre-Audit on Government Transactions

**1.0 RATIONALE**

- 1.1 It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations and safeguarded against loss or wastage resulting from illegal or improper disposition, with a view of ensuring efficiency, economy and effectiveness in the operations of government. The primary responsibility for faithful adherence to this policy rests with the chief or head of the government agency concerned (Cf. Sec. 2, P.D. No. 1445).
- 1.2 Consistent with such policy and in pursuance of the constitutional mandate vesting in the Commission on Audit the exclusive authority to define the scope of its audit and examination, establish the techniques and methods required therefore, and promulgate accounting and auditing rules and regulations [Sec. 2(2), Article IX-D, 1987 Constitution], the Commission under COA Circular No. 95-006 dated May 18, 1995, lifted all pre-audit activities that were then performed on financial transactions.
- 1.3 Recent developments, however, necessitate the revisiting of the present policy of examining government transactions strictly on a post-audit basis in view of the rising incidents of irregular, illegal, wasteful and anomalous disbursements of huge amounts of public funds and disposal of public property. An assessment of the risk-prone areas (using the risk-based audit approach) in government operations and the marked inadequacy in internal controls as exemplified by the frequency of anomalies uncovered or reported likewise point to the need to consider restoring pre-audit as a deterrent against the resurgence of the observed maladies. Further, adequate safeguards need to be observed by the auditor to ensure that the agency accepts all responsibility for (i) establishing and monitoring internal controls, (ii) making all management decisions with respect to the design, implementation, and maintenance of the internal controls, (iii) evaluating the adequacy and results of the design, implementation, and maintenance of internal controls, and (iv) the data used or generated by the financial reporting process.
- 1.4 For these reasons and in consonance with the power of the Commission on Audit to adopt such measures as are necessary and appropriate to correct the deficiencies, this Commission hereby reinstates selective pre-audit, subject to periodic review and assessment of the effectiveness and coverage thereof in accordance with the risk-calibrated agency audit framework.

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## **2.0 DEFINITION AND GENERAL SCOPE OF PRE-AUDIT AND POST AUDIT**

- 2.1 Pre-audit is the examination of documents supporting a transaction or series of transactions before these are paid for and recorded.

Pre-audit operates to:

- 2.1.1 determine that the proposed expenditure is for a purpose in compliance with the appropriation law, other specific statutory authority and regulations;
  - 2.1.2 assure that sufficient funds are available to enable payment of the claim;
  - 2.1.3 initially determine that the proposed expenditure is not illegal, irregular, extravagant, excessive, unconscionable or unnecessary;
  - 2.1.4 determine that the transaction is approved by proper authority and duly supported by authentic underlying evidences;
- 2.2 Post audit covers the same areas and supplemented by tracing the transaction under audit to the books of accounts. It also includes a final determination that the transaction is not illegal, irregular, extravagant, excessive, unconscionable or unnecessary. In general and wherever practical, the scope of post audit work covers all areas identified in the risk assessment and embraces financial, compliance, and value-for-money audits. Transactions subjected to pre-audit shall be post audited without reperforming the audit procedures previously undertaken in pre-audit, unless there is compelling reason to re-perform the same.

## **3.0 COVERAGE**

- 3.1 Pre-audit shall be selectively reinstated in national government agencies, local government units, and government-owned and controlled corporations with original charters, as indicated in the attached list marked Annex A and made integral part hereof, with any, some or all of the following transactions:
- 3.1.1 cash advances;
  - 3.1.2 payments of salaries and terminal leave benefits;
  - 3.1.3 payments for infrastructure projects;
  - 3.1.4 payments for road right-of-way;
  - 3.1.5 payments for procurement of capital assets, goods and services;
  - 3.1.6 payments made thru automatic debit advice (ADA);
  - 3.1.7 releases of funds to NGOs/POS;
  - 3.1.8 transfers of funds between government agencies subject to the exceptions provided in item 4.8;
  - 3.1.9 disbursements from trust funds of local government units, as limited in item 4.9;

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- 3.1.10 disposal of real property and unserviceable property, subject to the limitations provided in item 4.10.
- 3.2 Subsequent identification of the national government agencies, local government units and government-owned and controlled corporations and their respective transactions that may be included or excluded in pre-audit shall proceed from the results of an evaluation of the internal control system put in place and operating in each agency. Such evaluation shall be undertaken by the Supervising Auditors (SAs) or Audit Team Leaders (ATLs) with the results thereof reviewed and validated by the Cluster Director or Regional Director before elevating the same, through the Assistant Commissioner or other authorized official concerned, to the Oversight Committee created in item 10.0 hereof.
- 3.3 National high schools, government-owned and controlled corporations audited under the team approach, and barangays shall be initially exempt from pre-audit.

#### **4.0 SPECIFIC SCOPE OF PRE-AUDIT ACTIVITIES**

##### **4.1 Cash advances**

- 4.1.1 Except for cash advances for payroll, intelligence funds, petty cash funds, and those granted for local expenses of officers and employees, all other cash advances including those for foreign travels funded out of the local funds regardless of amount shall pass through pre-audit.
- 4.1.2 The liquidation of cash advances shall first be audited and the corresponding Credit Notice issued before the same shall be taken up in the books.
- 4.1.3 The grant of cash advances and their liquidation shall be governed by the following guidelines and by the provisions of COA Circular No. 97-002 dated February 10, 1997 which are not inconsistent herewith:
- (i) No cash advance shall be given unless for legally authorized specific purpose.
  - (ii) No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him is first liquidated and accounted for in the books.
  - (iii) A cash advance shall be liquidated/reported on as soon as the purpose for which it was granted has been served.
  - (iv) Except for cash advances for travel, no officer or employee shall be granted cash advance unless he is properly bonded in accordance with law or regulations. The amount of cash advance which may be granted shall not exceed the maximum cash accountability covered by his bond.
  - (v) Only permanently appointed and duly designated disbursing officers shall be granted cash advance. However, these requirements shall not apply to cash advances for travel.
  - (vi) Transfer of cash advance from one accountable officer to another shall not be allowed.

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- (vii) The cash advance shall be used solely for the specific purpose for which it was granted. Under no circumstance shall it be used for encashment of checks or for liquidation of a previous cash advance.
  - (viii) No cash advance shall be granted for payments on account of infrastructure projects or other undertaking on a project basis.
  - (ix) Cash advance for special time-bound undertaking shall be liquidated by the accountable officer concerned within one month from the date the purpose of the cash advance was accomplished.
  - (x) Cash advances which are no longer needed or have not been used for a period of two months shall be returned to or deposited immediately with the proper collecting officer or treasurer.
  - (xi) All cash advances shall be fully liquidated at the end of each year. Except for petty cash fund, the accountable officer shall refund any unexpected balance to the cashier/collecting officer who shall issue the necessary official receipt.

#### **4.2 Payment of salaries and terminal leave benefits**

- 4.2.1 Pre-audit of payments of salaries shall apply only to the first payment after appointment by transfer or reinstatement, and to the last payment prior to transfer.
- 4.2.2 All payments of terminal leave benefits shall be subject to pre-audit.

#### **4.3 Infrastructure projects**

- 4.3.1 Infrastructure projects include the construction, improvement, rehabilitation, demolition, repair, restoration or maintenance of roads and bridges, railways, airports, seaports, communication facilities, civil works components or information technology projects, irrigation, flood control and drainage, water supply, sanitation, sewerage and solid waste management systems, shore protection, energy/power and electrification facilities, national buildings, school buildings, hospital buildings, and other related construction projects of the government [Section 5(n), IRR-A of RA No. 9184].
- 4.3.2 All infrastructure projects with contract amounts falling under the categories outlined below shall be covered by pre-audit.

##### **For national government agencies:**

- (i) Department/Bureau/Agency Main/Central/Head Offices, General Headquarters, Project Management Offices – P25 million and above.
- (ii) Regional Offices/Operating Units/Area Commands/Field Offices or their equivalents – P10 million and above.
- (iii) Provincial/District/Division/Satellite Offices – P2 million and above
- (iv) Tertiary and/or specialized hospitals – P5 million and above

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**For local government units:**

- (i) Cities within Metro Manila, other highly urbanized cities and first class provinces – P5 million and above.
- (ii) Provinces/cities below first class – P3 million and above
- (iii) Municipalities – P1 million and above

**For Government-owned and/or controlled corporations/government financial institutions**

- (i) Head Offices, Project Management Offices – P25 million and above
- (ii) Regional/Provincial Branches/Field Offices – P10 million and above

- 4.3.3 Only the advance payments granted to contractors as well as the first and last progress billings of contracts for infrastructure projects the contract amount of which fall within the threshold as above indicated shall be subject to pre-audit. First progress billing represents claims made for the first collection on the work accomplished in a particular project. In the pre-audit of the last progress billing, all previous payments shall be considered.
- 4.3.4 All first payments of progress billings under a change order, extra work order, supplemental agreement, or any other form of variation order related to contracts subject to pre-audit under item 4.3.2., shall likewise be subject to pre-audit. However, where the amount of the variation order brings a contract not previously covered by pre-audit within the threshold established in item 4.3.2., the first payment under the variation order, as well as the last progress billing of the original contract, as modified or amended by the variation order, shall be subject to pre-audit. All claims of contract price escalations regardless of amount shall be subject to pre-audit taking into consideration the guidelines provided in Government Procurement Policy Board Circular No. 03-2008 dated August 20, 2008 and such other existing regulations on the matter.
- 4.3.5 Inspections of construction project accomplishments shall be mandatory on the payment for the first and last progress billings. The Auditor may, however, conduct random on-the-spot inspection of on-going infrastructure projects or request inspection of projects at any time he may deem necessary.
- 4.3.6 The auditor shall review the completeness of the supporting documents, its terms and conditions, the bidding procedures, necessity and validity of other alternative modes of procurement and manner of award to the winning bidder/contractor and such other relevant requirements provided in RA No. 9184 and its implementing rules and regulations. Whenever practicable, the SA/ATL or the Technical Audit Specialist (TAS) after due referral, shall evaluate the reasonableness of the cost of the project or activity immediately upon receipt of the contract as provided in item 6.6 hereof. Provided that the final determination of such reasonableness shall in no case extend beyond twenty-one (21) working days from the time the contract and complete supporting documents are submitted for technical review.
- 4.3.7 These pre-audit guidelines shall equally apply to infrastructure projects undertaken in areas declared as under a state of emergency or calamity.



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#### **4.4 Payments for road right-of-way**

4.4.1 All claims for road right-of way shall be subject to pre-audit taking into consideration the provisions of RA No. 8974 and its implementing rules and regulations.

#### **4.5 Procurement of capital assets, goods and services**

4.5.1 Procurement of capital assets shall include land and buildings.

4.5.2 Procurement of goods and services includes acquisition of supplies, materials, general support services, labor, equipment and motor vehicles by the government, regardless of the source of fund. For this purpose, procurement of construction materials for projects implemented by administration shall be treated as procurement of goods and services and shall be subject to the same rules herein provided taking the total project cost, and not the individual transactions, as basis of its coverage in or exclusion from pre-audit.

4.5.3 General support services shall include only those which are recurring and fixed in nature, such as but not limited to rentals, janitorial and security services, and solid waste management regardless of the amount involved. Only the first payment for said services shall be subject to pre-audit. First payments involving extension of contracts shall also be pre-audited.

4.5.4 First and last payments of contracts entered into through any of the various modes of procurement involving an amount of at least P2 million for national government agencies, government-owned and/or controlled corporations, cities within Metro Manila, other highly urbanized cities and first class provinces, P1 million for provinces/cities below first class, and P500,000.00 for municipalities shall be subject to pre-audit. Procurement between government agencies or instrumentalities shall be exempt from pre-audit.

4.5.5 Procurement of goods and services to address natural calamities or emergencies shall be subject to the pre-audit except procurement involving life saving medicines, food and other similar items which shall be exempt from pre-audit.

#### **4.6 Payments made thru automatic debit advice (ADA)**

4.6.1 For foreign-funded or locally funded infrastructure projects that shall be paid through ADA, pre-audit shall be performed on the documents to be submitted as basis for payment, such as but not limited to the approved disbursement vouchers, if applicable, statement of expenditures, list of due and demandable accounts payable and their supporting documents.

4.6.2 For procurement paid through ADA, pre-audit shall be performed on the approved disbursement voucher duly supported by the regular documentary requirements for the specific transaction.

#### **4.7 Releases to NGOs/POs**

4.7.1 All releases of funds to NGOs/POs shall be subject to pre-audit. The audit shall be carried out taking into consideration the requirements and guidelines provided in COA Circular No. 2007-001 dated October 25, 2007 and subsequent amendments thereto.

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- 4.7.2 No subsequent releases shall be made unless the previous release is liquidated, and the liquidation documents are post-audited and properly taken up in the books.

**4.8 Transfer of funds between and among government agencies**

- 4.8.1 All transfers of funds either thru funding check or bank transfer between and among bank accounts of government agencies or between different bank accounts of the same government agency regardless of amount shall be subject to pre-audit.
- 4.8.2 Fund transfers within and between government banks, transfers of funds to address an emergency or calamity, releases of NCAs by the Department of Budget and Management, and releases of NTAs from department/central offices to operating units shall be exempt from pre-audit. Fund transfers within and between government banks shall refer to normal routine bank transactions specifically interbranch withdrawals/deposits, deposits to comply with reserve requirements, telegraphic transfers/quick cash, cash transfers from cash centers to branch and vice-versa, overseas remittances, payment of interbank foreign borrowings, swap transactions, payment of foreign exchange cover fees, guarantee fee, commitment fee to the National Government, remittance of collection pertaining to other government agencies, maturities of clients' placements and other transactions of their respective working funds paid electronically to meet the real time settlement.

**4.9 Disbursements from trust funds of local government units**

- 4.9.1 The pre-audit of trust funds of local government units shall only cover disbursements of the trust funds received from the national government or from government-owned and controlled corporations.

**4.10 Disposal of real property, unserviceable property and those no longer needed**

- 4.10.1 Pre-audit of disposal of real property shall cover only those undertaken through negotiated sales involving an amount of at least P1 million.
- 4.10.2 Negotiated sale of acquired assets of government financial institutions amounting to at least P50 million, except those disposed to previous owners in the exercise of their right of redemption, shall be subject to pre-audit.
- 4.10.3 For unserviceable property and those no longer needed, only negotiated sales involving an amount of at least P500,000.00 whether valued individually or by lot shall be subject to pre-audit.
- 4.10.4 Negotiated sale of property covered by Section 380 of RA No. 7160 otherwise known as the Local Government Code of 1991 shall be governed by the following rules:
- (i) Unserviceable property and property no longer needed may be disposed at a private sale at such price as may be determined by the committee on awards, subject to the approval of the Commission on Audit or its duly authorized representatives when the acquisition or transfer cost exceeds fifty thousand (P50,000.00) pesos in the case of provinces and cities, and twenty-five thousand (P25,000.00) pesos in the case of municipalities and barangays. In the case of real property, the disposal shall be subject to the approval of the Commission on Audit regardless of the value or cost involved.

- (ii) Approval of the disposal of unserviceable property and property no longer needed in private sale shall be as follows:

	<u>Category</u>	<u>Approving COA Official</u>
1.	Unserviceable property or property no longer needed with book value/acquisition cost not exceeding P1,000,000.00 in each case.	COA Chairman
2.	Unserviceable property or property no longer needed with book value/acquisition cost not exceeding P150,000.00 in each case	Directors/Officers in Charge of COA Central and Regional Offices
3.	Unserviceable property or property no longer needed with book value/acquisition cost not exceeding P100,000.00 in each case	Supervising Auditors/Heads of Audit Groups
4.	Unserviceable property or property no longer needed with book value/acquisition cost not exceeding P50,000.00 in each case	Audit Team Leaders
5.	Real property regardless of the book value/ acquisition cost	COA Commission Proper

- (iii) The value of the property declared to be unserviceable or no longer needed should be appraised by a qualified COA Technical Property Inspector or by a committee composed of Technical Property Inspectors, as determined by the TSO Cluster Director, for cases within Metro Manila, or the Regional Director, for cases in the regions, before approval of the sale.

- (iv) Whenever there exists a doubt as to the reasonableness of the price of the unserviceable property or property no longer needed, the same must be submitted to the Technical Services Office for review and appropriate action.

## 5.0 RESPONSIBILITY TO CONDUCT PRE-AUDIT

5.1 Pre-audit shall, in addition to the existing duties and functions, be the responsibility of the head of the auditing unit/audit team. In an auditing unit where a Supervising Auditor (SA) and Audit Team Leader (ATL) are assigned, the pre-audit functions shall be discharged by the SA. Pre-audit functions in all other auditing units headed by ATLs whether or not placed under the supervision of SAs shall be carried out by such ATLs.

5.2 In case of absence of the person duly authorized in item 5.1 to perform pre-audit for one (1) to five (5) working days, he shall designate an officer-in-charge who shall temporarily perform the pre-audit functions. A copy of such designation shall be furnished to the Cluster Director or Regional Director concerned for information and record. Where the SA or ATL as the case may be, is absent for more than five (5) working days but not more than thirty (30) working days, the designation shall be done by the Cluster Director or Regional Director, and in excess of thirty (30) working days, by the Chairman.

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## 6.0 DUTIES AND RESPONSIBILITIES OF AGENCY OFFICIALS

Agency officials concerned shall:

- 6.1 Ensure that no transactions covered by this circular are paid out without evidence of the audit action of the SA/ATL as required herein.
- 6.2 Submit to the SA/ATL concerned all disbursement vouchers/documents for claims subject to pre-audit.
- 6.3 Submit to the SA/ATL the advices/instructions including, among others, MOAs and MOUs and their supporting documents for transfers of funds subject to pre-audit under item 4.7 hereof.
- 6.4 See that cash advances granted are liquidated within the prescribed period and liquidation submitted to the SA/ATL concerned within ten (10) days from the date the liquidation document is received from the accountable officer.
- 6.5 Maintain complete and up-to-date subsidiary records of cash advances for each accountable officer to record the cash advances granted and liquidated.
- 6.6 Submit to the SA/ATL concerned copies of contracts, purchase/letter orders, loan agreements, bond flotation/certificates of indebtedness, whether domestic or foreign, and appraisal reports of property for disposal including all supporting documents required in COA Circular No. 2009-001 dated February 12, 2009 and its annexes, for review, within five (5) days from their perfection.
- 6.7 Ensure that the disbursement vouchers are duly supported with the requisite documents for each specific claim and accompanied by a duly accomplished relevant checklist for technical review as provided in COA Circular No. 2009-001 dated February 12, 2009, as well as the requirements enumerated in item 4.4 of COA Circular No. 2007-001 (for releases to NGOs/POs) and its subsequent amendments, if any. If the supporting documents have been previously furnished to the auditor pursuant to item 6.6, such fact shall be indicated in the accompanying document checklist. Any deficiency in the supporting documents shall cause the return of the documents without action, within twenty-four (24) hours, for completion or rectification of the deficiency.
- 6.8 See that no splitting of requisitions, purchase orders, vouchers, and the like, is resorted to, in order to circumvent the control measures provided in this circular and other laws and regulations. For this purpose, a project funded under a single obligating authority and implemented in several phases whether by the same or different contractors shall be deemed splitting of contracts.
- 6.9 Furnish the auditor copies of delivery documents within twenty-four (24) hours after acceptance of deliveries of goods and services, regardless of whether or not the transaction is subject to pre-audit.
- 6.10 Ensure that negotiated sale of real property, unserviceable property and those no longer needed are resorted to only under circumstances authorized by existing laws and regulations.
- 6.11 Submit the agency's Annual Procurement Plan (APP) and amendments thereto within the first quarter of each year.
- 6.12 Maintain a separate record/logbook of all transactions subject to and submitted to the SA/ATL for pre-audit.

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## 7.0 DUTIES AND RESPONSIBILITIES OF COA OFFICIALS AND REPRESENTATIVES

- 7.1 Counted from the time of receipt of the complete transaction documents, act on the transactions subject to pre-audit within five (5) working days for infrastructure projects, procurements and disposals requiring technical evaluation, and within two (2) working days for other transactions subject to pre-audit.
- 7.2 Conduct periodic evaluation of the accountability of the accountable officer and recommend reduction of the cash advance if found excessive.
- 7.3 Monitor the grant and liquidation of cash advances subject to pre-audit.
- 7.4 Without prejudice to the conduct of a surprise cash examination as the SA/ATL may deem appropriate, issue demand letter upon failure of the accountable officer to liquidate his cash advance within two (2) months for accountable officers holding office within the station and three (3) months for accountable officers outside the station, from the dates specified in item 4.1.3 (ix), (x), and (xi).
- 7.5 Recommend for the withholding of the payment of any money due the accountable officer if no liquidation or explanation is received or the explanation received is not satisfactory.
- 7.6 Initiate the filing of a criminal case against the accountable officer for failure to settle his accounts in the manner outlined below:
- 7.6.1 Execute an affidavit stating the nature/purpose of the cash advance; the amount not liquidated/accounted for; the fact that no liquidation or explanation has been submitted despite demand or if explanation has been submitted, the same is not satisfactory; the date the letter of demand was served on or received by the AO; and other information which may be pertinent to the case.
- 7.6.2 State in the affidavit the violation of the provisions of Section 89 of P.D. No. 1445 and the penal provisions under Section 128 of the same law, both of which are herein quoted in full to wit:
- “Section 89. Limitations on Cash Advance. – No cash advance shall be given unless for a legally authorized specific purpose. A cash advance shall be reported on and liquidated as soon as the purpose for which it was given has been served. No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.*
- “Section 128. Penal Provision. – Any violation of provisions of Section xxx 89, xxx of this code or any regulation issued by the Commission implementing these sections, shall be punished by a fine not exceeding one thousand pesos or by imprisonment not exceeding six (6) months, or both such fine and imprisonment at the discretion of the court.”*
- 7.6.3 The affidavit shall be submitted to COA Director concerned who shall refer the case to the appropriate Office of the Deputy Ombudsman, if the offense is committed in the regions or to the COA Legal Services Sector for the filing of criminal proceedings before the Office of the Ombudsman, if the offense is committed within Metropolitan Manila area, in accordance with paragraphs 3.1.1 and 3.2, respectively of COA Memorandum No. 95-112 dated December 26, 1995.

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- 7.7 See that all inspection and evaluation of project accomplishment, deliveries of supplies, materials and equipment, evaluation of variation orders, price escalation adjustments and road right-of-way acquisitions, are made in accordance with auditing rules and regulations on the matter.
  - 7.8 Strictly enforce compliance with the requirement for submission of copies of contracts and appraisal reports including their supporting documents as provided herein.
  - 7.9 Immediately advise the release and confirm the receipt of funds from the audited agency to another agency.
  - 7.10 Maintain a separate record/logbook of all transactions received for pre-audit including the actions taken thereon.
  - 7.11 Conduct post-audit of transactions and accounts in accordance with the risk-based audit approach taking into consideration the result of pre-audit.

## **8.0 EVIDENCE OF AUDIT ACTION**

### Pre-audit stamp

- 8.1 The pre-audit action shall be evidenced by a pre-audit stamp with the following words impressed upon the face of the disbursement voucher or disposal contract and their supporting documents: *Pre-audited pursuant to COA Circular No. \_\_\_\_\_ dated \_\_\_\_\_* (See Annex B), duly signed and dated by the Auditor.
- 8.2 The pre-audit stamp shall be placed only after the upfront audit procedures are undertaken, including, among others, the review of the legal aspects of the transaction or contract to determine whether the requirements of applicable laws, rules and regulations were substantially complied with and initial determination has been made that the transaction or contract is not illegal, irregular, extravagant, excessive, unconscionable or unnecessary, as the case may be. The pre-audited disbursement voucher or disposal contract and its supporting documents shall be returned to the agency duly stamped in accordance with item 8.1 on each and every page of the documents submitted. The pre-audit action shall not be a bar to further determination as to the approval or allowance of the transaction in post audit.
- 8.3 In case of deficiencies or defects noted, the disbursement voucher and its supporting documents shall be returned to the head of the agency concerned within twenty-four (24) hours from such determination informing him of the action taken and indicating the reasons therein (Annex C).
- 8.4 Without waiting for the submission of claims for first payments, the SA or ATL concerned, shall immediately refer the infrastructure contract to the technical audit specialist of the auditing unit/ cluster or of the Technical Services Office or Regional Technical Service Division, as the case may be, for review of the technical aspects including the reasonableness of the price within five (5) days after the review of the legal aspects. Provided that contracts determined by the Auditor to be legally infirm need not be referred for technical review and shall be returned to the head of the agency in accordance with item 8.3 above.
- 8.5 Except as provided in the second sentence of item 8.4, all other contracts requiring technical evaluation may likewise be referred for review in the same manner provided in the first sentence thereof, as may be deemed necessary and consistent with the risk-based audit approach.



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Credit Notice for Cash Advances, Transfer of Funds Between Government Agencies and Releases to NGOs/POs

8.6 Upon liquidation, the SA or ATL shall, within thirty (30) days from receipt of the liquidation report and supporting documents, complete the audit and issue a Credit Notice (Annex D) addressed to the accountable officer to inform the latter of the amount allowed in audit. In case of suspension or disallowance, a notice of suspension or disallowance shall be issued. The amount allowed in audit as contained in the Credit Notice shall be deemed to have been settled.

8.7 Subsequent cash advances, transfer of funds between government agencies and releases to NGOs/POs shall be granted only after the issuance of Credit Notice for the previous cash advance.

## **9.0 APPEAL PROCEDURE**

9.1 Any party aggrieved by the decision of the auditor on claims or transactions submitted for pre-audit may avail of the appeal remedy outlined in the Revised Rules of Procedure of the Commission on Audit.

## **10.0 OVERSIGHT COMMITTEE**

10.1 The Assistant Commissioners' Group constituted under COA Resolution No. 2008-012 dated October 10, 2008 is hereby designated to act as Oversight Committee to monitor and periodically evaluate the implementation of the selective reinstatement of pre-audit.

10.2 The Oversight Committee shall have the authority and responsibility to recommend, for consideration by the Commission Proper, the inclusion of certain kinds of transactions or the exclusion of those previously included in the coverage of pre-audit. The initiative to include or exclude certain transactions in pre-audit shall originate from the SAs or ATLs, duly validated by the Cluster Director or Regional Director concerned. The Oversight Committee shall evaluate the proposal and if found to be meritorious it shall recommend the same for consideration by the Commission Proper. Otherwise, the proposal shall be returned to the SA/ATL through the Assistant Commissioner or other authorized official concerned indicating the reasons therein. The Oversight Committee may, however, *motu proprio* initiate and recommend the inclusion or exclusion of transactions subject to pre-audit.

10.3 It shall also develop a mechanism for evaluating the progress of agencies in enhancing their internal control structures as well as the process by which said agencies may be exempted from, or those previously exempted may be placed under the coverage of selective pre-audit using the risk-calibrated agency audit framework. The mechanism and the guidelines therefor duly approved by the Commission Proper shall be disseminated to the Assistant Commissioners, Cluster Directors, Regional Directors, SAs and ATLs for their guidance in making recommendations for exemptions from or inclusions in the coverage of pre-audit.

## **11.0 PENALTY CLAUSE**

11.1 Any violation of the rules prescribed in item 4.1 shall render the accountable officer concerned liable under Section 128 in relation to Section 89 of Presidential Decree No. 1445, and/or other applicable laws and administrative regulations.

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11.2 Transactions or claims covered by this circular but not submitted for pre-audit, shall be a ground for initiating administrative disciplinary action in accordance with Section 127 of Presidential Decree No. 1445 and Section 55, Title I-B, Book V of the Revised Administrative Code of 1987, without prejudice to the disallowance of the transactions in post audit, if warranted.

**12.0 REPEALING CLAUSE**

All COA circulars and memoranda inconsistent herewith are hereby revoked, amended or modified accordingly.

**13.0 EFFECTIVITY**

This circular shall take effect on July 1, 2009.

(Sgd.) **JUANITO G. ESPINO, JR.**  
Commissioner

(Sgd.) **REYNALDO A. VILLAR**  
Chairman





# QUICK REFERENCE INDEX

## ISSUANCE BY SUBJECT CLASSIFICATION

### **Administrative Order**

AO 01-2009 page 304  
AO 02-2009 page 249  
AO 03-2009 page 59  
AO 04-2009 page 235  
AO 05-2009 page 298  
AO 06-2009 page 184  
AO 07-2009 page 267  
AO 09-2000 page 171

### **Memorandum Circular**

MC 01-2009 page 15  
MC 03-2009 page 187  
MC 04-2009 page 311  
MC 05-2009 page 31  
MC 07-2009 page 196  
MC 08-2009 page 191  
MC 09-2009 page 164  
MC 10-2009 page 192  
MC 11-2009 page 197  
MC 12-2009 page 243  
MC 14-2009 page 314  
MC 17-2009 page 255  
MC 19-2009 page 202  
MC 20-2009 page 308  
MC 21-2009 page 43  
MC 23-2009 page 167  
MC 24-2009 page 46

### **Memorandum Order**

MO 03-2009 page 256  
MO 13-2009 page 213  
MO 20-2009 page 263  
MO 23-2009 page 169

MO 29-2009 page 265  
MO 43-2009 page 293  
MO 47-2009 page 193  
MO 67-2009 page 45  
MO 68-2009 page 271  
MO 69-2009 page 280

### **Operations Memorandum Circular**

OMC 01-2009 page 20  
OMC 02-2009 page 223  
OMC 03-2009 page 228  
OMC 04-2009 page 32  
OMC 05-2009 page 177  
OMC 06-2009 page 305  
OMC 07-2009 page 254  
OMC 08-2009 page 245  
OMC 09-2009 page 47

### **PPA BoardCom Resolution**

BCR 2009-1165 page 252  
BCR 2009-1168 page 189  
BCR 2009-1169 page 201  
BCR 2009-1176 page 18  
BCR 2009-1186 page 295  
BCR 2009-1202 page 195  
BCR 2009-1206 page 269  
BCR 2009-1213 page 277  
BCR 2008-1144 page 289  
BCR 2008-1151 page 290  
BCR 2005-986 page 287

### **PPA Board Resolution**

BR 2158 page 266  
BR 2184 page 19  
BR 2188 page 297  
BR 2197 page 270  
BR 2202 page 279  
BR 2204 page 292  
BR 2045 page 288

### **PPA Unnumbered Memorandum**

Memo dated Jan. 26, 2009 page 205  
Memo dated Feb. 20, 2009 page 16  
Memo dated March 09, 2009 page 170  
Memo dated March 13, 2009 page 173  
Memo dated March 17, 2009 page 309  
Memo dated April 01, 2009 page 182  
Memo dated April 14, 2009 page 312  
Memo dated Dec. 20, 2004 page 174

### **BOQ Memorandum Circular**

BOQ MC 2-S2009 page 225

### **BOQ Unnumbered Memorandum**

BOQ Memo dated June 25, 2009 page 248  
BOQ Memo dated August 26, 2009 page 246

### **COA**

COA Circular 2009-002 page 321

### **DFA**

DFA Letter dated 20 Feb., 2009 page 309

### **Executive Order**

EO 774 page 218

### **IMO**

IMO FAL. 3/Circ. 194 page 310

### **OGCC**

OGCC Letter dated 02 June, 2009 page 178

### **PCG Memorandum Circular**

PCG MC 01-09 page 206

### **SC**

SC Resolution dated 04 March, 2009 page 181

### **SO**

SO 128-2009 page 203  
SO 310-2009 page 204

## ISSUANCE BY DATE OF DOCUMENT

### **January 2009**

05 Jan. – PCG MC 01-09 page 206  
12 Jan. – MC 01-2009 page 15  
13 Jan. – MO 03-2009 page 256  
22 Jan. – IMO FAL. 3/Circ. 194 page 310  
26 Jan. – Memo page 205

### **February 2009**

20 Feb. – DFA Letter page 309  
20 Feb. – Memo page 16  
26 Feb. – BCR 2009-1169 page 201  
26 Feb. – MO 13-2009 page 213  
27 Feb. – BCR 2009-1165 page 252  
27 Feb. – BCR 2009-1168 page 189

### **March 2009**

04 Mar. – SC Resolution page 181  
06 Mar. – AO 01-2009 page 304  
06 Mar. – BCR 2009-1165 page 252  
06 Mar. – MC 03-2009 page 187  
09 Mar. – Memo page 170  
13 Mar. – Memo page 173  
13 Mar. – SO 128-2009 page 203  
17 Mar. – Memo page 309  
18 Mar. – MO 20-2009 page 263  
20 Mar. – AO 02-2009 page 249  
27 Mar. – BCR 2009-1176 page 18  
27 Mar. – BR 2184 page 19  
27 Mar. – MC 04-2009 page 311  
30 Mar. – MC 05-2009 page 31

### **April 2009**

01 April – Memo page 182  
02 April – MO 23-2009 page 169  
14 April – AO 03-2009 page 59  
14 April – Memo page 312  
21 April – OMC 01-2009 page 20  
27 April – MC 07-2009 page 196  
28 April – BOQ MC 2 S2009 page 225  
30 April – OMC 02-2009 page 223

### **May 2009**

07 May – MO 29-2009 page 265  
18 May – COA Circular 2009-002 page 321  
25 May – BCR 2009-1186 page 295  
25 May – BR 2188 page 297  
25 May – MC 08-2009 page 191  
25 May – MC 09-2009 page 164

### **June 2009**

02 June – OGCC Letter page 178  
08 June – MC 10-2009 page 192  
10 June – MC 11-2009 page 197  
16 June – OMC 03-2009 page 228  
16 June – OMC 04-2009 page 32  
18 June – SO 310-2009 page 204  
25 June – BOQ Memo page 248  
25 June – OMC 05-2009 page 177  
26 June – AO 04-2009 page 235

### **July 2009**

01 July – OMC 06-2009 page 305  
03 July – OMC 07-2009 page 254  
06 July – MC 12-2009 page 243  
14 July – MO 43-2009 page 293  
27 July – BCR 2009-1202 page 195

### **July 2008**

28 July – BCR 2008-1144 page 289

### **July 2000**

24 July – AO 09-2000 page 171

### **August 2009**

11 Aug. – MO 47-2009 page 193  
26 Aug. – BOQ Memo page 246  
27 Aug. – OMC 08-2009 page 245

### **September 2009**

01 Sept. – BR 2197 page 270  
01 Sept. – MC 14-2009 page 314  
18 Sept. – MC 17-2009 page 255  
30 Sept. – AO 05-2009 page 298  
30 Sept. – BR 2158 page 266  
30 Sept. – BCR 2009-1206 page 269

### **September 2008**

30 Sept. – BCR 2008-1151 page 290  
30 Sept. – BR 2158 page 266

### **October 2009**

02 Oct. – MC 19-2009 page 202  
08 Oct. – MC 20-2009 page 308  
15 Oct. – AO 06-2009 page 184  
15 Oct. – MC 23-2009 page 167  
16 Oct. – MC 21-2009 page 43  
22 Oct. – BCR 2009-1213 page 277  
22 Oct. – BR 2202 page 279  
22 Oct. – BR 2204 page 292

### **November 2009**

13 Nov. – AO 07-2009 page 267  
23 Nov. – MO 67-2009 page 45  
27 Nov. – MC 24-2009 page 46  
27 Nov. – MO 68-2009 page 271  
27 Nov. – MO 69-2009 page 280

### **December 2009**

09 Dec. – OMC 09-2009 page 47

### **December 2008**

26 Dec. – EO 774 page 218

### **December 2005**

20 Dec. – BR 2045 page 288  
21 Dec. – BCR 2005-986 page 287

### **December 2004**

20 Dec. – Memo page 174







