

SEP 24 2019



PPA ADMINISTRATIVE ORDER
NO. 09 -2019

TO : All Port Managers

SUBJECT : Guidelines on the Adoption of Uniform Procedure in the Determination of Minimum Concession Fee and Variable Fee for Contract Under the Port Terminal Management Regulatory Framework

Pursuant to PPA Board Resolution No 2836 and Section VI 5 of PPA Administrative Order (AO) No 03-2016 entitled "Port Terminal Management Regulatory Framework", the following guidelines are hereby issued to ensure proper and uniform procedure in determining the minimum concession fee and variable fee for all Port Terminal Management Contract (PTMC)

- 1 The Port Management Office (PMO) with jurisdiction over the port subject to bidding shall be responsible in the determination of the minimum concession fee and variable fee
- 2 The PTMC shall be awarded to the eligible bidder that offered the highest concession fee (excluding variable fee) for the duration of the contract. The minimum concession fee shall be determined as follows

2.1 Determine the base figure The base figure shall be the amount equivalent to the sum of the following

- 2.1.1 Highest recorded and audited revenue of the Authority, for the last five (5) years, from the following sources
 - 2.1.1.1 Government share paid by the cargo handling operator,
 - 2.1.1.2 Concession Fee or Government Share from Passenger Terminal Building (PTB) Operation, whichever is applicable,
 - 2.1.1.3 Roll-on-Roll-off Terminal System,
 - 2.1.1.4 Lease of Passenger Terminal Building and other Commercial Spaces,
 - 2.1.1.5 Parking,

- 2 1 1 6 Storage Management,
 - 2 1 1 7 Porterage Services,
 - 2 1 1 8 Water distribution service,
 - 2 1 1 9 Waste Management Shore Reception Facilities, and
 - 2 1 1 10 Ancillary and other related services
- 2 1 2 Projected government share from the incremental revenue as a result of the application of the approved restructured cargo handling tariff for the subject port
- 2 1 3 Projected revenue from new sources as a result of potential changes in port technology and port development
- 2 2 **Determine the percentage of escalation to be applied each concession year** The base figure computed in Section 2 1 hereof shall be escalated per year using the average increase in the Gross Regional Domestic Product for the last five (5) years or five percent (5 0%) whichever is higher, provided, that the maximum capacity of the port is taken into consideration relative to the revenue projection
- 3 In addition to the minimum concession fee, a variable fee shall be remitted by the Contractor under the following circumstances
- 3 1 If the actual traffic volume exceeded the projected volume by 10%, a variable fee equivalent to sixty percent (60 0%) from cargo handling operation and/or PTB operation shall be computed on the actual traffic in excess of the one hundred and ten percent (110 00%) projected volume, and
 - 3 2 A variable fee equivalent to sixty percent (60 0%) of the gross revenue earned from additional services which are not included in the determination of minimum concession fee
- 4 The variable fee shall be computed annually and shall be remitted not later than January 15 of the following year

For your guidance and compliance


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General Manager