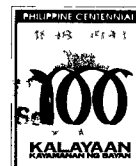


Republika ng Pilipinas
PANGASIWAAN NG DAUNGAN NG PILIPINAS
(PHILIPPINE PORTS AUTHORITY)
Marsman Bldg 22 M de San Francisco
South Harbor, Manila 1018



SEP 12 1996

PPA ADMINISTRATIVE ORDER
NO. 13 - 96

T O : All Cargo Handling Contractors
PPA Department/PDO/PMO Managers and
All Others Concerned

SUBJECT : Prescribing PPA Performance Standards and
Rating System for Cargo Handling Contractors
and Providing Sanctions Therefor

1. AUTHORITY

- 1.1 Secs. 2 (a) and (b), Article II; 6 (a), (iii) and (x), Article IV, and Sec 26 (a), Article VIII of P. D 857, Revised Charter of PPA
- 1 2 Sec. 12.04 of PPA A O No. 10-81 dated 13 April 1981, General Conditions on all Contracts/Permits for the Management and Operations of Cargo Handling Services
- 1 3 Pertinent provisions of Cargo Handling Contracts concluded pursuant to
 - 1 3 1 PPA M. C No 08-88 dated 08 February 1988 prescribing Policies on the Cargo Handling Contract System;
 - 1 3 2 PPA M C No 32-88 dated 13 October 1988 providing Supplemental Guidelines in the Evaluation of Applications for Renewal of Contracts or Permits to Operate Cargo Handling and Other Related Services in the Port
 - 1 3.3 PPA A O No 03-90 dated 14 May 1990 stipulating the Implementing Guidelines on the Cargo Handling Contract System, and,
 - 1 3 4 PPA A O No 10-95 dated 13 January 1995 prescribing Guidelines on the Revocation/Cancellation of Contract/Permit for Cargo Handling Services or Cargo Handling Contract Recall (CHCR)

2 TITLE/DEFINITION

- 2.1 This Administrative Order, which establishes the Performance Standards (Appendix I) and Rating System (Appendix II), shall henceforth be known and cited as the PPA "Performance Standards and Rating System for Cargo Handling Contractors (PSRS)."
- 2.2 "Performance Standards" refers to the obligation of the cargo handling Contractor to operate cargo handling/related services as provided in their contract/permit/Hold-Over Authority and/or as prescribed by PPA rules and other government regulations.
- 2.3 "Rating System" is the process by which the level of performance of the cargo handling Contractor is measured according to the standards set by the Authority.'

3. PURPOSE

To establish a Performance Standards and Rating System for cargo handling contractors.

4. SCOPE

This Order shall apply to cargo handling Contractors in government ports under the jurisdiction of the Philippine Ports Authority (PPA).

5. OBJECTIVES

- 5.1 To professionalize the management and operations of cargo handling/related services.
- 5.2 To instill greater discipline in the management and operation of cargo handling/related services.
- 5.3 To enhance the efficiency, safety and economy of the management and operations of cargo handling/related services.
- 5.4 To rationalize the grounds for the cancellation or termination of cargo handling contracts/permits

6 GUIDELINES

In the implementation of this Order, the following guidelines shall be complied with:

6 1 Any of the grounds hereunder specified shall be considered as grave violation and constitute sufficient cause for the cancellation/termination of contract/permit for cargo handling/related services:

- 6.1.1 Refusal of the Contractor to make available to COA auditors or PPA officials (who are vested with authority to conduct audit) its books of accounts and other documents for inspection and examination as provided in its contract/permit.
- 6.1.2 Refusal of the Contractor to submit to PPA supervision, inspection and/or overseeing by the Authority and/or its duly authorized representative.
- 6.1.3 Failure of the Contractor to provide and maintain existing and committed equipment stated in its contract.
- 6.1.4 Failure of the Contractor to attain the committed annual production rates as provided in its contract, taking into account obtaining operational conditions.
- 6.1.5 Failure of the Contractor to remit any two (2) monthly committed fee installments and/or government share from due date.
- 6.1.6 Failure of the Contractor to pay to its employees, laborers, stevedores and dockworkers salaries or wages in accordance with the minimum wage law or failure to remit premiums to SSS, Medicare and fringe benefits as their obligations fall due.
- 6.1.7 Failure of the Contractor to post the prescribed performance bond within one (1) month after the execution of the contract or renew the same within one (1) month upon expiration of said bond
- 6.1.8 Change of control of the company/firm arising from its sale, assignment, transfer or sub-contract or other disposition of capital stock by the Contractor without the prior written consent/approval of the Authority

6.1 9 Involvement/Participation of the Contractor 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 the vessels calling at the port resulting to the prejudice of the PPA, port users or others concerned.

6.1.10 Involvement of the Contractor or allowing others to engage in any other practices that will unduly cause termination/suspension/disruption of the operations of cargo handling/related services

6.2 The Internal Control Department (ICD) and/or Internal Control Staff (ICS), the Offices primarily responsible for conducting the audit of cargo handling/related services, shall not rate the Contractor when the latter has committed any of the grave violations under paragraph 6.1. However, said violation and other findings shall be qualitatively stated in the audit report

6.3 When there is no violation of any of the grave offenses under paragraph 6.1 hereof, the Contractor shall be rated in accordance with the PSRS including the items under subparagraph nos. 6.1.1 to 6.1.7.

6 4 When the Contractor's performance is rated below 70%, cancellation/termination of its contract/permit to operate cargo handling/related services shall be initiated in accordance with the procedures/guidelines prescribed in PPA A.O. No. 10-95 dated 13 January 1995.

7. INCENTIVES

In case of tie in the evaluation of bids of cargo handling services between a bidder and the cargo handling operator of said services whose latest performance was rated Outstanding, the award shall be given to the latter

8 SANCTIONS

The Contractor whose contract has been cancelled/terminated shall be disqualified from participating in any public bidding for cargo handling/related services to be conducted by PPA.

The foregoing sanctions shall be without prejudice to any civil and/or criminal liabilities that may be filed with and adjudicated by a court of competent jurisdiction

9. SEPARABILITY CLAUSE

If for any reason, any section or part of this Order is declared unconstitutional or 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

10. REPEALING CLAUSE

This Order amends/modifies pertinent provisions of PPA Administrative Order No. 10-95 and other PPA issuances inconsistent herewith.

11. EFFECTIVITY CLAUSE

This Order shall, after approval by the Board of Directors of the Authority, take effect January 1, 1997 following its publication in a newspaper of general circulation.


CARLOS L. AGUSTIN
General Manager

Published in the following newspapers:

1. Philippine Star)
2. Manila Standard)

Date of Publication: Nov. 15, 1996

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APPENDIX I to PPA A.O. No. 13 - 96

PERFORMANCE STANDARDS FOR CARGO HANDLING CONTRACTORS

I. ORGANIZATION AND MANAGEMENT

A. Visitorial Powers

The Contractor shall make available at all times during office hours, for inspection, examination and audit by the Authority, COA and other government agencies exercising visitorial powers, books of accounts, properties, inventories, payrolls, financial records and other records concerning cargo received and delivered by the Contractor as well as labor agreements and contracts; provided that the authority to inspect, examine and audit shall be exercised by the visiting officials concerned pursuant to and within the limits of the duties and functions vested upon their respective offices and express provisions of law.

(Ref. PPA A.O. 10-81, Section 8.02)

B. Submission to Supervision and/or Overseeing by the Authority

The Contractor shall submit to supervision, inspection and/or overseeing its operations and financial transactions by the Authority thru the Port Manager concerned or his duly authorized representative to insure faithful compliance with the provisions of the contract, and such directives, rules and regulations as the Authority may promulgate from time to time

The Cargo Handling Compliance Report herein attached as Annex 'A' shall be used as basis for ascertaining the Contractor's compliance

(Ref. PPA A.O. 10-81, Sec. 8 03)

C Registration with Government Agencies

The Contractor shall possess a management contract/permit to operate cargo handling/related services from PPA. It shall be duly registered with BDT or DTI, BIR, SSS and shall possess a current Mayor's Permit. If the Contractor is a corporation, its Articles of Incorporation and any amendment thereto shall be registered with SEC. For a Cooperative, its Constitution and By-Laws shall be registered with the Cooperatives Development Authority.

The above are basic legal requirements for a business to operate. Some of these have to be renewed, hence, compliance has to be evaluated.

D. Functional Units

The Contractor's organizational structure shall provide adequate administrative and fiscal control over resources/property of the company as well as in the conduct of its operations. The functional structure shall include units to handle administrative, finance and operations as well as support services such as maintenance of equipment and safety and security of property and personnel. Each functional unit shall have clearly defined activities to be undertaken and delegation of authority to ensure smooth flow of business transactions and accomplishment of its objectives.

E. Training of Personnel

Based on TNA conducted by PPATC, PDO, PMO or HRDC, the Contractor shall submit, for approval of the PMO, a training program for its dockworkers, which shall contain, among others, course design duly approved by PPATC, schedule, venue and the agency/outfit (gov't. or private) that will conduct the trainings. One hundred percent (100%) of personnel recommended for training as a result of the TNA conducted shall have undergone training within two (2) years from the conduct of the TNA.

Non-port related trainings shall be reported to the PPATC through the PMO

F **Labor Management Relations**

The Contractor shall not hire persons below 18 years of age

The Contractor shall pay its workers in accordance with existing laws on wages, overtime rates, night differential premium and others.

Laborers shall be rotated in a manner that everyone is given equal earning opportunity. The total working hours in a month shall be fairly distributed among the pool of them. The Contractor shall submit to the PMO concerned, for approval, a labor rotation system that will give its regular workers equitable earning opportunity. The system, once approved, shall be subject to review if properly implemented.

Wages of workers shall be paid directly to them. On-Call/Rotation workers shall be paid their wages weekly. Daily/Monthly paid workers shall be paid their wages in accordance with Contractor's existing payroll system.

Payroll of personnel/workers shall contain complete information as to the period, rate, no. of hrs/days worked, amount of gross pay, deductions, net pay and signature

All workers shall possess SSS ID. Contributions for insurance/retirement premiums, Medicare and ECC and loan payments to SSS shall be fully remitted in accordance with the prescribed schedule

The Contractor shall maintain a Trust Fund for laborers as may be prescribed by PPA, to be used only for the benefits of laborers who resign/retire or have been retrenched or whose services have been terminated due to changes in cargo handling contractors. The laborers shall be entitled to at least the minimum benefits as provided under the Labor Code, as amended

Said Trust Fund shall be deposited in escrow with a bank acceptable to PPA and shall not be withdrawn without the concurrence of the Authority through the Port Manager or his authorized representative

All facilities (recreational and social) and benefits prescribed in the CBA, labor laws and PPA AO 10-81 shall accordingly be provided by the Contractor

(Ref Sec. 7.01, 7.04-05, 7.07 Article VII, Sec 2.04, Article II of A O 10-81 and PPA MC No 05-95)

G ID and Uniform

The Contractor shall issue IDs to its laborers and provide at least two (2) sets of uniform a year

No worker/laborer shall be allowed to work without wearing IDs/uniforms.

(Ref: Section 1.1 of A.O. 22-77)

H. Medical and Dental Attendance

The Contractor shall provide free medical and dental attendance to his laborers/employees in accordance with the Dockwork Safety and Health Standards (DSHS).

The provision of the DSHS requiring the Contractor to provide an emergency clinic may not be complied with provided that there is an emergency hospital or dental clinic which is not more than five (5) kms. away from the work place if situated in an urban area or which can be reached by a motor vehicle in 25 minutes of travel if situated in a rural area, and the Contractor has facilities readily available for transporting a worker to the hospital or clinic in case of emergency.

Provided further that, the Contractor shall enter into a written contract with the hospital or dental clinic for the use thereof in the treatment of workers in case of emergency.

(Ref: DSHS and Section 5, Rule 1, Book IV Rules and Regulations Implementing the Labor Code)

II. PRODUCTIVITY

A Manpower

Labor force shall be properly organized into as many groups with complete complement of work force of gang boss/foreman, winchman, signalman and dockworkers/stevedores and checker as are necessary to adequately meet a particular type of operation. Said labor force shall be priorly notified so that it shall be available within one (1) hour from receipt of notice of readiness for domestic vessels and boats and within four (4) hours for foreign vessels.

(Ref: Sec. 7.03 of A.O 10-81)

B. Cargo Handling Equipment/Gears

Provision of Minimum and Procurement of Committed Cargo Handling Equipment/Gears

The Contractor shall provide the minimum and procure the committed cargo handling equipment and gears specified in the contract/permit.

(Ref. Contract/Permit or Sec. 2.01 and 2.02 of A.O 10-81)

Equipment Maintenance

The Contractor shall, at all times, maintain its equipment, tools and gears in good running condition to adequately meet the day-to-day needs. For purposes of monitoring compliance, the Contractor shall maintain a monthly utilization record of all its equipment. A duly certified Monthly Equipment Utilization Report shall be submitted for validation by the PMO.

If full compliance cannot be attained by the cargo handling Contractor, substantial compliance to equipment maintenance shall be certified by the PMO. Otherwise, rating shall be 'zero'.

(Ref: Sec 2.01 of A.O. 10-81, Contract/Permit)

C. Cargo Handling and Location System

The Contractor shall adopt the most expedient and safest method and/or style of handling (loading/discharging) diversified cargoes utilizing appropriate cargo handling gears/devices under conditions obtaining in the area taking into consideration vessel type and cargo

- a. Type - Container, loose/breakbulk, liquid bulk, solid bulk
- b. Packaging - Bag/sack, carton, crate, cylinder, drum, etc.
- c. Size, Shape and/or Configuration
- d. Weight
- e. Classification whether dangerous cargo, etc.

Likewise, the Contractor shall have an effective cargo location system and shall systematically pile and segregate cargoes within 24 hours after their discharge from vessels according to their marks, numbers, registries, etc. It shall be able to locate any cargo within one (1) hour from presentation of Bill of Lading/Delivery Permit. The cargo location system shall be confirmed and approved by the PMO.

The nature and type of packaging of cargoes shall be considered when stacking cargoes. The Contractor shall maximize utilization of storage areas with provisions for aisles measuring at least three (3) meters in width for the uninterrupted movement of equipment. Outbound and inbound cargoes shall be stored separately and that the storage space for delicate, highly valuable and pilferable cargoes, bad order and dangerous cargoes shall be delineated.

The method(s) so adopted by the Contractor in handling materials/cargoes and/or in storing/stacking the same shall be in conformity with the provisions of Article XIV of the DSHS.

(Ref: Sec 4.09, Article IV of PPA A.O. 10-81 and DSHS)

D Processing and Documentation

The Contractor shall, upon receipt of complete documents, process the same to the satisfaction of port users and release said cargo within the following time frames

- For domestic - within one (1) hour
- For foreign - within five (5) hours

Yardstick to be used in rating shall be written complaint(s) against the cargo handling Contractor

Entry/Withdrawal of cargoes shall be covered by the following documents or their equivalent and, whenever applicable, cleared by PMO operations personnel

1. Withdrawal of Inbound Cargoes

- a) Bill of Lading
- b) Arrastre OR/Charge Invoice
- c) Delivery Receipt/Gate Pass
- d) Bureau of Customs Import Document

2. Entry of Outbound cargoes

- a) Bill of Lading
- b) Arrastre OR/Charge Invoice
- c) Bureau of Customs Export Document

An accurate account of cargoes loaded and unloaded per vessel shall be made in the loading and unloading Tally Sheets which shall be summarized in a Discharging/Loading Report supported by Foreman's Report or Statement of Fact.

(Ref. Section 4.01-4.04 of A O. 10-81)

E Production Rate

The Contractor shall meet the required production rate prescribed per contract or permit. In the absence of a contract/permit, the production rate derived from VOCs for a period of one year shall be used as basis.

(Ref. Contract/Permit)

F Records of Shipcalls, Labor Productivity and Cargo Handled

The Contractor shall maintain a complete record of shipcalls per type of vessel, destination and frequency, labor productivity by type of operation; and, cargo tonnage handled by type of cargoes, e g bulk, breakbulk, containerized

(Ref: Section 8.01 of A.O 10-81)

G **Reports**

1. There shall be proper implementation/ operationalization of Vessel Operations Commitment (VOC).
2. Post Vessel Operation Evaluation Report (PVOER) shall likewise be properly accomplished and submitted on time to PPA.

Further, the Contractor shall accomplish and submit to the PMO not later than 24 hours after completion of the discharging and loading operations, other accurate and true operational reports, including but not limited to "Discharging/Loading Report."

(Ref: Section 4.01-4.04; 8.01 of A.O. 10-81; PPA A.O. 02-95 and local issuances)

III. OPERATIONS

A Safety

Safety Committee, Safety Program and Safety Officer

The Contractor shall organize a Safety Committee and employ a Safety Officer in accordance with the Dockwork Safety and Health Standards (DSHS). The Committee must be active and shall formulate a Safety Program which shall be fully implemented by the Contractor.

First Aider

In all workplaces where there are more than one workshift, the Contractor shall provide for each shift the services of a part time first aider if the number of workers is not more than 50 and full time first aider if the number of workers is over 50. The appointed/designated first aiders shall possess a formal training on first aid. A mere designation of a first aider with no training shall not be allowed.

First Aid Boxes

The Contractor shall make available at every working place a sufficient number of suitable and adequately stocked first aid boxes or cupboards. The contents of first aid boxes shall comply with the relevant provisions of the Philippine National Red Cross and other appropriate national regulations and standards. The minimum requirement are as follows.

a.	Mosquito Forcep	1 pc.
b.	Bandage Scissors	1 pc
c.	Hot Water Bag	1 pc.
d.	Ice Bag	1 pc.
e.	Penlight with Battery	1 pc
f.	Absorbent Cotton	1 roll
g.	Gauze Tape	1 roll
h.	Triangular Bandage	5 pcs
i.	Elastic Bandage (5 x 2)	1 roll
j.	Gauze Pads	10 pcs
k.	Band-Aid Plaster Strip	10 pcs.
l.	Surgical Gloves (Disposable)	5 pairs
m.	Rubbing Alcohol (70%)	1 cont
n.	Hydrogen Peroxide	1 bot
o.	Caladryl	1 bot
p.	Betadine Solution or Terramycine	1 bot
q.	Eye-Mo/Visine eye drops	1 bot

Optional:

- | | | |
|----|---|--|
| a. | Oral Thermometer | 1 pc |
| b. | BP Apparatus | |
| c. | Kidney Basin | 1 pc |
| c. | Medicines, in consultation
with physicians, for. | Headache
Dizziness
Fever
Diarrhea
Stomach ache
Pain Reliever
Colds/Coughs. |

Nothing, except appliances or requisites for first aid, shall be kept in first aid boxes or cupboards. They shall contain simple and clear instructions to be followed in emergencies. Necessary replenishment of contents shall be made regularly.

Safety Signs/Slogans

The Contractor shall post in strategic locations adequate safety signs/slogans in all workplaces.

Drinking Water Facility

The Contractor shall provide and maintain drinking water facilities for common use. Containers with potable water shall be fitted with a cover and faucet. Such containers shall be labelled "For Drinking Only " Where water provided for use in dockwork, including fire protection, is unsuitable for drinking purposes, conspicuous points of supply shall state clearly that such water is not fit for drinking.

Toilet Facility

The Contractor shall provide at each workplace toilet facilities following the ratios, per shift, prescribed below

1. When the number of workers is not more than twenty (20) the required minimum number of facilities shall be one toilet seat and one (1) urinal;
2. When the number of workers exceeds twenty (20) but not more than two hundred (200) one toilet seat and one urinal shall be provided per forty (40) workers;
3. When the number of workers exceeds two hundred (200), one toilet seat and one urinal shall be provided per fifty (50) workers

Further, a floor drain with water seal shall be provided in each toilet room to facilitate flushing of the floor. Toilet fixtures shall be constructed and maintained in conformity with good sanitary standards. Toilets shall be provided with washing facilities and maintained in a clean and sanitary condition.

Such facilities shall be suitably situated, dimensioned, constructed, enclosed and equipped for their purpose. It shall be maintained in a clean and sanitary condition, well ventilated and lighted

Protective Devices

The Contractor shall provide its dockworkers with safety gloves, hard hats and safety shoes and in no case shall said workers be allowed to work without them. Where dockworkers are exposed to poisonous or irritating concentrations of dust/vapor, they shall be provided with a respiratory protective equipment prescribed by the DSHS.

Fire Fighting Equipment

The Contractor shall provide operational fire fighting equipment required by the contract/PMO/Section 2, Article X of the DSHS. In addition to the minimum fire fighting equipment requirements, the Contractor shall provide separate fire extinguishers of the BCF type in all Dangerous Cargo Areas.

Deployment of Fire Fighting Equipment

Fire fighting equipment shall be strategically deployed in operational and dangerous cargo areas and maintained in accordance with Sections 1 and 3, Article X, of the DSHS.

Fire Brigade

The Contractor shall provide a well trained and equipped fire brigade on a 24-hour basis as required under Section 5, Article X of DSHS. For shifts with no or "zero" operation, the contractor shall field its Fire Marshall(s) in lieu of deploying its fire brigade provided that members of the fire brigade can be easily alarmed and be made immediately available in case of fire

Further, the Contractor shall have a contingency plan coordinated with and approved by the PMO

Fire Fighting Drills

Fire fighting drills shall be held at least once every three (3) months or as often as necessary by the Fire Brigade of the Contractor and other port users concerned and subsequently thereafter a fire drill report shall be submitted to the Authority.

Such drills shall closely approximate actual conditions of fire fighting, including use of equipment

Accident Reports

The Contractor shall submit to the Authority all work accidents and occupational illness resulting from the condition of employment or from the activity performed in connection with such employment every 10th day of the succeeding month.

When the accident or illness results in death or permanent total disability, the Contractor, in addition to the written report required above, shall initially notify the Authority within 24 hours using the fastest means of communication.

(Ref: Section 4.15 of A.O. 10-81 and Articles II, III, IV, V, X, XI, XII & XIII of the DSHS)

B Pilferages or Damages to Cargoes

The Contractor shall control pilferages or damages to cargoes which shall not be more than 5% of the Contractor's gross revenue for the contract year.

The Contractor shall be responsible for all damages or destruction to any cargo duly receipted by them while in their custody or under their control within their authorized area of operation, provided, however, that it shall not be responsible for

- a. The condition of the contents of any package received; and
- b. Any loss, injury or damage to cargo received or held in the pier, shed, warehouse or facility due to causes beyond the Contractor's control or capacity to prevent or remedy.

The Contractor, against whom a claim is filed, shall decide and resolve the same within 30 days after receipt of complete documents. It shall comply with the procedure on claims settlement/disposition as prescribed

Further, the Contractor shall submit to PPA a monthly report on pilferages and/or damages to cargoes regardless of whether pilferages/damages exist or not

(Ref. Section 6 01, 6 02 and 6 03 of PPA A O 10-81)

C. Cleanliness and Orderliness

The Contractor shall be responsible for the cleanliness of its area of operation, except those areas exclusively used by PPA and other government/private entities within the port zone

The Contractor shall always ensure that

- 1 All wharves, quays, decks and similar places where dockwork is performed as well as stairways, passageways and accessways are kept free of any obstruction at all times,
2. Repair and maintenance personnel are required to clean up places when their job is completed. This includes removal of scraps of metal or wood, refuse, wires, oily rags, spilled flammable liquids, greases or other slippery and dangerous substances which shall be cleaned up immediately,
- 3 Loose gear, tools and similar equipment are removed from working areas when not in use and are adequately secured,
- 4 All broken straps, exposed nails, or wires from containers or unit loads are properly disposed of; and
- 5 Appropriate receptacle/container (covered if necessary) for the collection and separation of trash, rags and other refuse, especially waste soiled by combustible or flammable material, are provided. Disposal shall be made daily and as frequent as necessary

(Ref Section 4 19 of A.O 10-81 and Article VI of the DSHS)

D Security

The Contractor shall engage the services of a duly licensed security agency to safeguard its offices, equipment and cargoes while under its custody. However, for Contractors with less than 10,000 tons of cargoes handled per month, full time watchmen may be

employed Security personnel shall be deployed in warehouses, transit sheds, open storage areas on a 24-hour basis.

In ports where there are no cargoes stored, the Contractor shall at least engage or designate a watchman to safeguard its personnel, offices and equipment.

IV. FINANCE

A. Capitalization and Working Capital

The minimum amount of capitalization and working capital to be maintained by the Contractor shall be in accordance with the following schedule:

Average Monthly Tonnage		Minimum Capitalization	Working Capital
3,500- 7,000	MTs	₱ 500,000	₱100,000
7,001- 15,000	"	1,000,000	150,000
15,001- 25,000	"	1,500,000	250,000
25,001- 30,000	"	2,000,000	300,000
30,001- 50,000	"	2,500,000	350,000
50,001- 70,000	"	3,000,000	400,000
70,001-100,000	"	3,500,000	500,000

For small size Contractors, the standard minimum capitalization and working capital are as follows:

200 and Below	MTs	₱ 25,000	₱ 6,250
201- 400	"	55,000	12,500
401- 800	"	75,000	18,750
801- 1,500	"	150,000	37,000
1,501- 3,499	"	250,000	50,000

Capitalization herein referred to shall be the amount invested by the owners/partners or the paid-up capital stock of the corporation. The amount subscribed and paid up capital stock shall be in accordance with law.

Working Capital shall be the amount maintained by the Contractor in a reputable bank to efficiently meet the day to day operational expenses involved for the proper rendition of services.

The amount of capitalization and working capital shall from time to time, be progressively increased in proportion with the recorded increase in the average monthly tonnage handled by the Contractor as prescribed above.

(Ref: PPA Administrative Order No 22-77)

B Performance Bond

The Contractor shall post, within one (1) month after the execution of contract/permit, a performance bond with the GSIS in the amount prescribed in the contract/permit. Said bond shall be renewed within one (1) month upon its expiration and the amount shall be increased accordingly to conform with the relative increase in the Contractor's annual gross revenue of the preceding year as prescribed in Annex 'B' hereto attached.

(Ref: Contract/Permit or Section 9.04 of A.O. 10-81; PPA M.C. 13-89 - GSIS; President's AO No. 33 dated 8/25/87)

C. Bookkeeping and Uniform Chart of Accounts

The following books or equivalent accounting records shall be maintained.

- Bills Register
- Cash Receipts Book/Register
- Cash Disbursement Book/Register
- General Journal
- General Ledger

These books shall be registered and maintained in accordance with PPA AO 10-81 and MO 14-83 and the rules and regulations of the Bureau of Internal Revenue

The Contractor's transactions shall be recorded adopting PPA's uniform chart of accounts, herein attached as Annex "C," within 20 days following the end of the month.

The income from arrastre, stevedoring, and other services shall be classified into foreign or domestic and classified further into the major types of revenue as arrastre, stevedoring, portorage, special services and other income and shall be recorded separately in the books

The Contractor's financial statements shall be audited at least once a year by an independent certified public accountant. When the volume of transaction does not require a certification by a CPA the financial statements shall be authenticated by the President/Treasurer of the company

(Ref Section 8.01 and 11.01 of A.O. 10-81; PPA M.O. 14-83 dated 4/27/83 - Registration with PPA, PPA M.O. No. 16-85 and PPA M.C. No. 05-95)

D. Accountable Forms

Bills of Charges, invoices and Official Receipts shall be printed, prenumbered and registered with the Bureau of Internal Revenue. A list of accountable forms and ORs printed shall be submitted to the local PPA Office before use.

All collections shall be receipted, acknowledged and recorded by the Contractor.

Unused bills and official receipts shall be kept intact and properly safeguarded.

(Ref: Section 8.01 and 10.04 of A.O. 10-81; M.O. No 14-83)

E. Authorized Handling Tariff Rates

All cargoes handled, received and placed in the custody of the Contractor shall be billed the corresponding arrastre, stevedoring or other service charge.

Charges shall be in accordance with the prescribed tariff rates approved by the Authority or mutually agreed rates sanctioned by PPA. The Contractor may offer lower but not higher rates to clients, provided that the government share from the cargo handling revenue shall not be prejudiced.

(Ref: Contract or Section 9.01-9.03 of PPA A.O. No. 10-81, and M.O. No. 04-93)

F. Classification and Segregation of Charges/VAT in the Bills/Invoices/ORs

The nature of charges, corresponding rates and VAT shall be specifically indicated in the bill. If the Contractor is under the direct collection system, government share, VAT and other BIR taxes shall be reflected separately in the bills and/or official receipts.

(Ref. Section 8.01 and 10.04 of A.O. 10-81, PPA M O 15-88 dated 5/2/88)

G Remittance

All income derived from port related services are subject to government share

Government share is required from the Contractor to be paid to PPA whether in percentage or fixed/variable fee/revised fixed fee in consideration for the grant of privilege to render cargo handling services. Government share under percentage basis shall be computed based on rates approved by the Authority.

The government share shall be paid within the period prescribed in the contract/permit or in the absence thereof, within ten (10) days after the end of the month

All government share, fixed or variable fee shall be subject to Value-Added Tax (VAT)

(Ref: Contract/permit, PPA A.O. 22-77, PPA M.O. 15-88 dated 2 May 1988 and M.C. 22-95 dated 28 April 1995)

H Financial Reports including Annual Reports

All remittances shall be accompanied by a monthly report of gross income duly certified by the Contractor.

All Contractors under the direct collection or daily remittance system shall likewise submit within the succeeding month a monthly report of gross income connected with cargo handling operations classified as to type of revenue and further classified in accordance with the applicable rate of government share in case there is more than one rate

All Contractors required to pay fixed and/or variable fee, in lieu of the percentage sharing, shall submit within the succeeding month a monthly summary report of revenue earned.

Further, the Contractor shall submit an Annual Report in the format prescribed in the Annual Reporting System Manual per PPA Memorandum Order No. 16-85

(Ref: Section 8.01 of A.O. 10-81 and MO No 16-85 dated 26 April 1985)

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APPENDIX II to PPA A.O. No. 13 - 96

RATING SYSTEM FOR CARGO HANDLING CONTRACTORS

I. ORGANIZATION AND MANAGEMENT (21%)

Area	Sub-		
	Rat- ing	To- tal	Max. Pts.
A. Visitorial Powers			2.0
All Books of Accounts and/or other documents made available to PPA auditors/officials for inspection, examination or audit immediately upon demand.	2	00	
All Books of Accounts and/or other documents made available for inspection, examination or audit within five (5) working days upon demand.	1.50		
Documents other than books of accounts which can be used as basis for audit made available for inspection, examination or audit.	1	00	
Books of accounts/other documents not made available due to some justifiable reasons	0.50		
B. Submission to Supervision and/or Overseeing by the Authority			3.0
Compliance	3	0	
Non-compliance	0	0	
C. Registration with Government Agencies			1 0
With updated registration with SEC, BDT or DTI, BIR, SSS and Mayor's Office	1	0	
Non-Compliance	0	0	

D. Functional Units		1 0
Organization has adequate functional units and clearly defined duties and responsibilities		1 0
Inadequate organization; functions not well defined		0.5
E. Training of Personnel		2.0
Compliance with the standard		2.0
Partial compliance		1.0
Non-compliance		0.0
F. Labor Management Relations		9.0
1. Compliance to age requirement		1.0
All workers are of majority age		1.0
Minors are employed		0.0
2. Equal Earning Opportunity/Labor Rotation		1 0
Compliance with requirement		1.0
Non-compliance		0.0
3. Maintenance of Payroll		1.0
Compliance with complete information		1 0
Partial Compliance		0 5
Non-compliance		0 0
4. Minimum wage		1 0
Compliance with minimum wage law		1.0
Non-compliance with minimum wage law		0 0
5. Payment of Salaries/Wages		2 0
Paid directly to port workers during designated paydays		2.0
Not directly paid and/or delayed payment to port workers		0 0

6.	Social Security	1 0
a.	Coverage	0.5
	Full-coverage with SSS	0.5
	Non-coverage	0 0
b	Remittance/Payment of Premiums/Loans	0 5
	Prompt remittance/payment of premiums/loans	0.5
	Delayed remittance/payment of premiums/loans	0.0
7.	Maintenance of Trust Fund and Other Benefits Granted by Law	2 0
a.	Trust Fund	1.0
	Trust Fund maintained in accordance with requirements	1.0
	Trust Fund maintained not in accordance with requirements	0 5
	No Trust Fund maintained	0.0
b	Other Benefits	1.0
	Compliance with requirement	1 0
	Partial compliance	0 5
	Non-compliance	0 0
G.	ID and Uniform	1 0
1	Issuance of IDs and Provision of Uniforms	0 5
	IDs and at least two (2) sets of T-shirts/uniforms issued/provided to workers	0 5
	Partial compliance	0 3
	Non-compliance	0 0

2.	Wearing of ID/Uniform	0.5	
	ID/Uniform worn during operation	0 5	
	More than 50% wear ID/Uniform during operation	0.25	
	Non-compliance	0 0	
H.	Medical and Dental Attendance		2.0
1.	Medical Attendance	1.0	
	Compliance with requirements	1.0	
	Partial compliance	0.5	
	Non-compliance	0.0	
2.	Dental Attendance	1.0	
	Compliance with requirements	1.0	
	Partial compliance	0 5	
	Non-compliance	0.0	
Sub-total	- - - - -		21

II. PRODUCTIVITY (33%)

A. Manpower 5.0

With adequate labor force available within the prescribed period upon receipt of notice/requisition of gangs 5 0

With adequate labor force but not available within the prescribed period upon receipt of notice/requisition of gangs 3.0

Inadequate work force but available within the prescribed period upon receipt of notice/requisition of gangs 1 0

Inadequate work force and not always available within the prescribed period upon receipt of notice/requisition of gangs 0 0

B. Cargo Handling Equipment/Gears 10.0

1. Provision of Minimum and Procurement of Committed Cargo Handling Equipment/Gears 7.0

Equipment/Gears provided is 100% or above of the requirement 7.0

Equipment/Gears provided is 90% to 99% of the requirement 1.0

Equipment/Gears provided is below 90% of the requirement 0.0

Note

- a. Substantial compliance (90%-99%) with an equivalent point of 1 shall only be allowed if the contractor fully meets (100%) the required production rate
- b. Equipment/gears provided in excess or other than those prescribed shall be considered in the computation of substantial compliance, provided that they are actually utilized in cargo handling operations
- c. Computation shall be on a per unit basis

To illustrate.

% of Compliance on Equipment

	Required	Actual	%
Item A	1	0	0 00
Item B	0	1	100.00
Item C	2	3	150 00
Item D	2	3	150.00
Item E	3	2	66.67

			466.67
			=====

$$\begin{aligned}\% \text{ of compliance} &= 466.67/5 \\ &= 93.33\%\end{aligned}$$

The same is to be done in computing % of compliance on gears. The Contractor should likewise get a rating of 90% - 99% in order to get a rating of '1.'

2.	Equipment Maintenance	3 0
	Equipment maintained in good operating condition	3.0
	Substantial compliance	1.0
	Non-compliance	0 0
C.	Cargo Handling and Location System	3 0
1	Cargo Handling Method	1.0
	Method/Style of handling different cargoes is appropriate to cargoes handled	1 0
	Method/Style of handling cargoes is unsafe and inefficient, no appropriate gears for handling cargoes and/or gears not properly used	0 0

2.	Cargo Location System/Plan	1.0
	Well defined written cargo location system/plan adopted, practiced and confirmed/approved by PMO	1.0
	Partial compliance	0.5
	No written cargo location system/plan	0.0
	(Rating is N/A for "zero" storage/direct delivery)	
3	Storage/Stacking/Piling of Cargoes	1.0
	Compliance to standards	1.0
	Partial compliance	0.5
	Non-compliance	0.0
	(Rating is N/A for "zero" storage/direct delivery)	
D.	Processing and Documentation	2.0
1.	Processing	1.0
	Without complaints	1.0
	With complaints	0.0
2.	Documentation	1.0
	Complete documentation of cargoes received/released/handled	1.0
	Incomplete documentation of cargoes received/released/handled	0 0
E.	Production Rate	10.0
	Productivity (for the last 12 months) meets the prescribed rates	10.0
	Productivity is within 90% to 99% of the prescribed rates	1 0
	Productivity is below 90% the prescribed rates	0 0

The following shall be observed under this area:

1. When only one (1) annual productivity rate is required, failure to attain such shall constitute a ground for contract/permit cancellation/termination.
2. When two (2) annual productivity rates are required for two (2) types of cargo handling operation, failure to attain any of the two modes shall constitute a ground for contract/permit cancellation/termination.
3. When three (3) annual productivity rates are required for three (3) types of cargo handling operation, failure to attain any two of the three (3) modes shall constitute a ground for contract/permit cancellation/termination.
4. When four (4) annual productivity rates are required for four (4) types of cargo handling operation, failure to attain any two of the four modes shall constitute a ground for contract/permit cancellation/termination.

If the above conditions have not been violated, the average percentage compliance of Production Rate for two or more modes of cargo handling operation shall be computed as follows.

1. Determine required annual production rates and actual compliance.
2. Determine percent of compliance (actual/required).
3. Compliance in excess of the contract requirement in any one mode of operation shall be rated a maximum of 100%
4. Total all percentages (%) of compliance and compute the average.

To illustrate: Three (3) modes of CH operations

	Contract Requirement	Actual	Percent Compliance
Manual	12 tons	10	83.33%
Mechanized	16 tons	17	100.00%
Containerized	10 units	12	100.00%
T o t a l			283.33%
			=====

Ave. percent of compliance is 94.44% (283.33/3)

Rating, therefore, is 1 pt

F. Records of Shipcalls, Labor Productivity and Cargoes Handled		1.0
Records up-to-date, accurate and complete	1.0	
Records inadequate	0.5	
Inaccurate/no record	0.0	
G. Reports		2.0
1. Vessel Operation Commitment (VOC)/Post Vessel Operation Evaluation Report (PVOER)	0.75	
Full compliance	0.75	
Partial compliance	0.25	
Non-compliance	0.0	
2. Content, Timeliness and Form of Reports	0.75	
Accurate and true reports submitted on time	0.75	
Compliance as to form and accuracy of data but delayed in submission by more than 5-days	0.5	
Reports submitted beyond 5 days of deadline	0.25	
No report	0.0	
3. Completeness of Operational Reports	0.50	
Full compliance	0.5	
Partial compliance	0.25	
Non-compliance	0.0	
Sub-total-		3.3

III. OPERATIONS (19%)

A. Safety	10.0
1. Safety Committee, Program & Officer	2 0
Safety Committee actively implementing safety programs and with a trained Safety Officer	2.0
Safety Committee actively implementing safety programs but no trained Safety Officer	1.75
Safety Committee not actively implementing safety programs but with trained Safety Officer	1.5
Safety Committee not actively implementing safety programs and without trained Safety Officer	1.0
No Safety Committee/program but with a trained Safety Officer	0.5
No Safety Committee, no safety programs and no trained Safety Officer	0 0
2. First Aider	1.0
First aider available in every shift	1.0
First aider not always available	0.5
No first aider	0.0
3. First Aid Boxes	1.0
Sufficient number of first aid boxes provided with suitable and adequate stock of medicine, medical supplies/equipment for first aid treatment	1.0
Sufficient number of first aid boxes provided with suitable but inadequate stock of medicines, medical supplies and/or equipment for first aid treatment	0 5
No first aid boxes and/or stock of medicines/supplies provided for first aid treatment	0 0

4	Safety Signs/Slogans	0.5
	Compliance	0.5
	Non-compliance	0.0
5	Drinking Water Facilities	0.5
	Full compliance	0.5
	Partial Compliance	0.3
	Non-compliance	0.0
6.	Toilet Facilities	0.5
	Full compliance	0.5
	Partial compliance	0.3
	Non-compliance	0.0
7	Protective Devices/Safety Gears	1.0
	All necessary protective/safety devices provided by the Contractor and worn during operations by majority of the workers	1.0
	Necessary protective/safety devices provided by the Contractor but worn only by at least 50% of the workers during operations	0.5
	Protective/safety devices not adequately provided but worn by workers during operations	0.3
	Protective/safety devices not adequately provided and not worn by workers during operations	0.0
8.	Fire Fighting Equipment	1.0
	Compliance with requirement	1.0
	Partial compliance	0.5
	Non-compliance	0.0
9	Deployment of fire fighting equipment	1.0
	Compliance	1.0
	Non-compliance	0.0

10.	Fire Brigade	0.5
	Compliance	0.5
	Non-compliance	0.0
11.	Fire Fighting Drills	0.5
	Compliance	0.5
	Partial compliance	0.3
	Non-compliance	0.0
12.	Accident Reports	0.5
	Accurate and complete reports submitted on time	0.5
	Partial compliance	0.3
	Non-compliance	0.0
B.	Pilferages or Damages to Cargoes	3.0
1.	Pilferages/Damages to Cargoes	1.0
	No pilferage or damage to cargoes	1.0
	Pilferage or damage to cargoes is five percent (5%) or less of the gross revenue for the contract year	0.5
	Pilferage or damage to cargoes is more than five percent (5%) of the gross revenue for the contract year	0.0
2.	Processing of Claims	1.0
	Claims acted by management within 30 days	1.0
	Action made within 31-45 days	0.5
	Action made after 45 days	0.0
	Note: If there is no basis in determining whether the Contractor settled its claims within the prescribed period due to its neglect/failure to keep records, the Contractor shall be rated "zero (0)"	

3	Submission of Reports on Pilferages and Losses and Damages	1 0
	Complied with requirement	1 0
	Non-compliance	0 0
C.	Cleanliness and Orderliness	3.0
	Ports clean and orderly	3.0
	Untidy/disorganized port	0.0
D.	Security	3.0
	Licensed security guards or full-time watchmen hired	3.0
	Non-compliance	0.0
Sub-total	- - - - -	19

III. FINANCE (27%)

A.	Capitalization and Working Capital	3.0
1	Capitalization	1.0
	Compliance	1.0
	Non-compliance	0.0
2.	Working Capital	2.0
	Requirement complied with	2.0
	Average monthly balance is 90% to 99% of requirement	1.0
	Average monthly balance is below 90% of requirement	0.0
B.	Performance Bond	5.0
1	Amount of Bond	2.0
	Bond posted is adequate	2.0
	Bond posted is inadequate or no bond was posted	0.0
2.	Timeliness in posting/renewing bond	3.0
	Bond posted within 1 month after execution of contract/permit or renewed within 1 month upon expiration of said bond	3.0
	Bond not posted/renewed within prescribed period	0.0
C.	Bookkeeping and Uniform Chart of Accounts	2.0
1	Registration	0.50
	All books are registered with BIR and PPA	0.5
	Only some of the books are registered with BIR and PPA	0.3
	Books are not registered with BIR/PPA	0.0

2	Adequacy	0 50
	Maintains basic books of accounts	0 5
	Inadequate books of accounts	0 3
	Non-maintenance of books of accounts	0 0
3	Recording	0 50
	Recording updated, accounts properly classified and financial statements certified	0.5
	Only 2 of the above requirements are undertaken	0.3
	Only 1 of the above is undertaken	0.1
	Non-compliance/No accounting record	0 0
4.	Uniform Chart of Accounts (UCA)	0 50
	Compliance	0.5
	Partial compliance	0.3
	Non-compliance	0 0
D.	Accountable Forms	1.0
	Billing forms, Invoices and O R.s pre-numbered/printed and approved/registered with BIR; and, list of Bills and ORs submitted to PPA	1 0
	Partial compliance	0.5
	Non-compliance	0 0
E.	Authorized Handling Tariff Rates	1.0
	Handling rates applied in accordance with PPA approved/sanctioned tariff rates	1.0
	Non-compliance	0.0

F.	Classification and Segregation of Charges/VAT in the Bills/Invoices/ORs	1.0
	Full compliance	1 0
	Partial compliance	0 5
	Non-compliance	0.0
G.	Remittance	13 0
	<i>Computed based on the Consideration Clause per contract/permit</i>	
1.	Amount of Government/PPA Share Remitted	6 0
	<u>For Fixed Fee</u>	
	100% remittance	6.0
	Remittance is 99% or below	0.0
	<u>For Variable Fee/Percentage (%) Sharing</u>	
	100% remittance	6.0
	Remittance is 90% - 99%	1.0
	Remittance is below 90%	0 0
	Rating of Contractor having both Fixed and Variable Fees shall be the average of both ratings for the above area	
2.	Value-Added Tax due to PPA	2.0
	100% remittance	2 0
	Remittance is 90% - 99%	1.0
	Remittance is below 90%	0 0
3.	Promptness of Remittance	5 0
	Fixed Fee and/or Government Share remitted within the prescribed time	5 0
	Delayed remittance by one (1) month	2.5
	Delayed remittance by more than one (1) month but less than two (2) months	0 0

H. Financial Reports including Annual Reports

1 0

Compliance	1.0	
Non-compliance	0 0	
Sub-total		27

SUMMARY:

<u>AREA</u>	<u>WEIGHT</u>	<u>Points</u>
I. Organization and Management	21	
II. Productivity	33	
III. Operations	19	
IV. Finance	27	
TOTAL	100%	

Where requirements cannot be complied with by the Contractor for reasons such as non-applicability of certain requirements insofar as the nature of the port operation and type of cargoes/vessels serviced are concerned, unresolved cases pending before PPA or the Courts, and the like, rating of such area may be dispensed with or deferred (not applicable) as the case may be. In such cases, the point score assigned to the specific area shall be deducted from the overall maximum points of 100.

<u>RATING</u>	<u>ADJECTIVAL RATING</u>	
96 - 100	Outstanding	/___/
85 - 95	Very Satisfactory	/___/
70 - 84	Satisfactory	/___/
Below 70	Unsatisfactory	/___/

Rated by:

Member

Member

Team Leader

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ANNEX "A" to APPENDIX I of PPA A.O. No. 13 - 96

CARGO HANDLING COMPLIANCE REPORT

Description:

This is a monthly report on the extent of compliance of the cargo handling contractor/permittee to the terms and conditions of contract/permit and to the performance standards as prescribed by PPA.

Direction:

1. This report shall be accomplished by Terminal Supervisor (TS) directly supervising the Contractor.
2. The TS shall indicate compliance of the Contractor according to the following scale:
 - 1 - Full compliance
 - 2 - Partial compliance
 - 3 - None
3. Remarks Column shall state reason/s for partial or non-compliance of Contractor to the contract/performance standards.
4. The TS shall indicate his recommendation, per area, to further improve the performance of the Contractor.
5. The report shall be discussed by the TS with the Contractor.
6. The report shall be duly noted by the Port Manager. Corresponding action taken by the PMO shall be indicated in the box provided in the report form.

CARGO HANDLING COMPLIANCE REPORT

Name of Contractor _____

PMO _____

Area of Operation _____
 Effectivity Date of Contract/Permit _____
 For the month of _____

CONTRACT TERMS/ PERFORMANCE STANDARDS	COM- PLIANCE	REMARKS	PMO's RECOMMENDATION
I. Organization and Management			
A. Contractor submits to PMO's supervision; complies with PMO recommendations per Cargo Handling Compliance Report			
B. Standard on Training of personnel complied with			
C Labor Management Relations			
1. Workers are of majority age			
2. Equal earning opportunity/ labor rotation was provided			
3. Complied with the minimum wage law			
4. Salaries/Wages are paid directly to port workers during designated paydays			
5. Maintenance of Trust Fund			
D IDs/Uniforms issued and worn during operations			
E. Medical and dental attendance is provided			

Annex A to Appendix I of PPA A.O No. 13-96

III. Productivity

- A Labor force is adequate and available within the prescribed period upon receipt of notice of readiness
- B Cargo handling equipment/gears are provided and in good operating conditions
- C. Cargo Handling and Location System
 - 1. Methods/Style of handling different cargoes are appropriate to cargoes handled
 - 2. Cargo location system/plan is well defined, confirmed/ approved by PMO, adopted and practiced
 - 3. Storage/Stacking/Piling of cargoes is in accordance with DSHS standards
- D. Processing and Documentation
 - 1. Processing is within reasonable time. No complaints against the Contractor.
 - 2 Complete documentation of cargoes handled/received/ released.
- E Production rate for the month meets the prescribed rates
- F. Records of Shipcalls, Labor Productivity and Cargoes handled are up-to-date, accurate and complete
- G. Reports
 - 1. VOC and PVOER are properly implemented

2 Reports submitted are true, accurate and on time

3. Operational Reports submitted are complete

A. Safety

1. Safety Committee actively implements safety programs and with trained Safety Officer

2. First aider is available for every shift

3. First aid box(es) provided is/are sufficient with suitable and adequate stock of medicines, medical supplies/ equipment for immediate first aid treatment

4. Safety signs/slogans posted in strategic locations are adequate

5. Drinking water facilities are provided and maintained in accordance with standards

6. Toilet facilities are provided and maintained in accordance with standards

7 All necessary protective/ safety devices are provided by the Contractor and worn during operations by majority of the workers

8. Required fire fighting equipment are provided

9. Fire fighting equipment are strategically deployed

40. Fire Brigade is organized			
11 Fire fighting drills are conducted regularly			
12 Accident Reports are complete, accurate and submitted on time			
B Reports on pilferages or damages to cargoes are submitted			
C. Port is clean and orderly			
D. Licensed security guards or full-time watchmen are hired			
IV. Finance			
A. Performance Bond is adequate and posted/renewed on time			
B. Handling rates are in accordance with PPA approved tariff rates			
C. Remittance			
1. Amount of Government/PPA Share Remitted			
<u>For Fixed Fee/Revised Fixed Fee</u>			
Full remittance			
<u>For Variable Fee/Percentage (%) Sharing</u>			
Full remittance			
2. Value-Added Tax due PPA is fully remitted			
3. Fixed Fee and/or Government Share were remitted within the prescribed time			

D . Financial Reports including Annual Reports submitted within the succeeding month			
--	--	--	--

Other Comments/Recommendations:

Prepared By:

Discussed With:

For.

PPA Terminal Supervisor
(Signature over printed name)

(Name of Cargo Handler)

Date Submitted:

Manager
(Signature over printed name)

Noted:

Action taken by the PMO:
--

Port Manager

Annex A to Appendix I of PPA A.O. No 13-96

ANNEX 'B' to APPENDIX I of PPA A.O. No. 13 - 96

**TABLE OF AMOUNT OF PERFORMANCE BOND
FOR CARGO HANDLING CONTRACTS/PERMITS**

CARGO HANDLING GROSS REVENUE (Pesos)	AMOUNT OF BOND (Pesos)
-----	-----
Not over 10,000	10,000
10,001 to 15,000	11,000
15,001 to 20,000	12,000
20,001 to 25,000	13,000
25,001 to 30,000	14,000
30,001 to 35,000	15,000
35,001 to 40,000	16,000
40,001 to 45,000	17,000
45,001 to 50,000	18,000
50,001 to 55,000	19,000
55,001 to 60,000	20,000
60,001 to 65,000	21,000
65,001 to 70,000	22,000
70,001 to 75,000	23,000
75,001 to 80,000	24,000
80,001 to 85,000	25,000
85,001 to 90,000	26,000
90,001 to 95,000	27,000
95,001 to 100,000	28,000
100,001 to 125,000	30,000
125,001 to 150,000	35,000
150,001 to 175,000	40,000
175,001 to 200,000	45,000
200,001 to 225,000	50,000
225,001 to 250,000	55,000
250,001 to 275,000	60,000
275,001 to 300,000	65,000
300,001 to 325,000	70,000
325,001 to 350,000	75,000
350,001 to 375,000	80,000
375,001 to 400,000	85,000
400,001 to 450,000	90,000
450,001 to 500,000	95,000
500,001 to 550,000	100,000
550,001 to 600,000	105,000
600,001 to 650,000	110,000
650,001 to 700,000	115,000
700,001 to 750,000	120,000
750,001 to 800,000	125,000
800,001 to 850,000	130,000
850,001 to 900,000	135,000
900,001 to 950,000	140,000

CARGO HANDLING GROSS REVENUE (Pesos)		AMOUNT OF BOND (Pesos)
-----		-----
950,001 to	1,000,000	145,000
1,000,001 to	1,100,000	150,000
1,100,001 to	1,200,000	155,000
1,200,001 to	1,300,000	160,000
1,300,001 to	1,400,000	165,000
1,400,001 to	1,500,000	170,000
1,500,001 to	1,600,000	175,000
1,600,001 to	1,700,000	180,000
1,700,001 to	1,800,000	185,000
1,800,001 to	1,900,000	190,000
1,900,001 to	2,000,000	195,000
2,000,001 to	2,250,000	200,000
2,250,001 to	2,500,000	210,000
2,500,001 to	2,750,000	220,000
2,750,001 to	3,000,000	230,000
3,000,001 to	3,250,000	240,000
3,250,001 to	3,500,000	250,000
3,500,001 to	3,750,000	260,000
3,750,001 to	4,000,000	270,000
4,000,001 to	4,250,000	280,000
4,250,001 to	4,500,000	290,000
4,500,001 to	4,750,000	300,000
4,750,001 to	5,000,000	310,000
5,000,001 to	5,500,000	320,000
5,500,001 to	6,000,000	330,000
6,000,001 to	6,500,000	340,000
6,500,001 to	7,000,000	350,000
7,000,001 to	7,500,000	360,000
7,500,001 to	8,000,000	370,000
8,000,001 to	8,500,000	380,000
8,500,001 to	9,000,000	390,000
9,000,001 to	9,500,000	400,000
9,500,001 to	10,000,000	410,000
10,000,001 to	10,750,000	430,000
10,750,001 to	11,500,000	450,000
11,500,001 to	12,250,000	470,000
12,250,001 to	13,000,000	490,000
13,000,001 to	13,750,000	510,000
13,750,001 to	14,500,000	530,000
14,500,001 to	15,250,000	550,000
15,250,001 to	16,000,000	570,000
16,000,001 to	16,750,000	590,000
16,750,001 to	17,500,000	610,000
17,500,001 to	18,250,000	630,000
18,250,001 to	19,000,000	650,000
19,000,001 to	20,000,000	670,000
20,000,001 to	21,000,000	690,000
21,000,001 to	22,000,000	710,000
22,000,001 to	23,000,000	730,000
23,000,001 to	24,000,000	750,000

ANNEX "C" to APPENDIX I of PPA A. O. No. 13 - 96

CHART OF ACCOUNTS*

The Chart of Accounts is designed for the following purposes:

- a. To properly classify financial transactions;
- b. To enable the preparation of informative financial reports;
and,
- c. To facilitate the preparation of annual budgets and the
evaluation of financial condition and results of operation

The accounts are essentially designed for the present and foreseeable operation and administration of an arrastre and stevedoring services. They are coded using the basic three-digit numbering system which is sufficiently flexible such modifications or additions can be incorporated therein without significantly changing the whole system classification. Additional numbers are also provided to identify subaccounts and classes of assets, revenue, expenses and ancillary items. Proposed revisions of account titles and account codes should be submitted to PPA for approval and for possible adoption by the contractors.

Each contractor shall initially use only those accounts that are applicable to its situation and periodically modify them as changes in the scope of its activities may require in accordance with the prescribed accounts

The different subaccounts are grouped under the following major categories:

- a. Assets (code 100-199)
- b. Liabilities (code 200-239)
- c. Reserves (code 240-249)
- d. Equity (code 250-299)
- e. Revenue (code 300-349)
- f. Expenditures (code 350-399)

The Chart of Accounts provides for the use of the accrual method of accounting to ensure proper matching of cost and revenues

Use of Chart of Accounts as prescribed in the Annual Reporting System Manual per PPA M. O. No. 16-85.

\uca\vbms

CARGO HANDLING GROSS REVENUE
(Pesos)

AMOUNT OF BOND
(Pesos)

24,000,001 to 25,000,000	770,000
25,000,001 to 26,000,000	790,000
26,000,001 to 27,000,000	810,000
27,000,001 to 28,000,000	830,000
28,000,001 to 29,000,000	850,000
29,000,001 to 30,000,000	870,000
30,000,001 to 31,500,000	900,000
31,500,001 to 33,000,000	930,000
33,000,001 to 34,500,000	960,000
34,500,001 to 36,000,000	990,000
36,000,001 to 37,500,000	1,020,000
37,500,001 to 39,000,000	1,050,000
39,000,001 to 40,500,000	1,080,000
40,500,001 to 42,000,000	1,110,000
42,000,001 to 43,500,000	1,140,000
43,500,001 to 45,000,000	1,170,000
45,000,001 to 46,500,000	1,200,000
46,500,001 to 48,000,000	1,230,000
48,000,001 to 50,000,000	1,280,000
50,000,001 to 52,000,000	1,330,000
52,000,001 to 54,000,000	1,380,000
54,000,001 to 56,000,000	1,430,000
56,000,001 to 58,000,000	1,480,000
58,000,001 to 60,000,000	1,530,000
60,000,001 to 62,000,000	1,580,000
62,000,001 to 64,000,000	1,630,000
64,000,001 to 66,000,000	1,680,000
66,000,001 to 68,000,000	1,730,000
68,000,001 to 70,000,000	1,780,000
70,000,001 to 74,000,000	1,855,000
74,000,001 to 78,000,000	1,930,000
78,000,001 to 82,000,000	2,005,000
82,000,001 to 86,000,000	2,080,000
86,000,001 to 90,000,000	2,155,000
90,000,001 to 94,000,000	2,230,000
94,000,001 to 98,000,000	2,305,000
98,000,001 to 102,000,000	2,380,000
102,000,001 to 106,000,000	2,455,000
106,000,001 to 110,000,000	2,530,000
110,000,001 to 116,000,000	2,630,000
116,000,001 to 122,000,000	2,730,000
122,000,001 to 128,000,000	2,830,000
128,000,001 to 134,000,000	2,930,000
134,000,001 to 140,000,000	3,030,000
140,000,001 to 146,000,000	3,130,000
146,000,001 to 152,000,000	3,230,000
152,000,001 to 158,000,000	3,330,000
158,000,001 to 166,000,000	3,480,000

**CARGO HANDLING GROSS REVENUE
(Pesos)**

**AMOUNT OF BOND
(Pesos)**

166,000,001 to 174,000,000	3,630,000
174,000,001 to 182,000,000	3,780,000
182,000,001 to 190,000,000	3,930,000
190,000,001 to 198,000,000	4,080,000
198,000,001 to 206,000,000	4,230,000
206,000,001 to 214,000,000	4,380,000
214,000,001 to 224,000,000	4,580,000
224,000,001 to 234,000,000	4,780,000
234,000,001 to 244,000,000	4,980,000
244,000,001 to 254,000,000	5,180,000
254,000,001 to 264,000,000	5,380,000
264,000,001 to 274,000,000	5,580,000
274,000,001 to 284,000,000	5,780,000
284,000,001 to 300,000,000	6,000,000

Any bond requirement over ₱300,000,000 gross revenue shall be subject to PPA Board approval.

\per-bond

BALANCE SHEET ACCOUNTS

ACCOUNT CODEACCOUNT TITLEASSETS

100-129

Current Assets

101

Petty Cash and Change Fund

103

Cash on Hand

104

Cash in Bank

111

Short Term Investment

112

Notes Receivable

113

Trade Accounts Receivable

113-1

Allowance for Bad Debts

114

Non Trade Accounts Receivable

115

Advances to Officers and Employees

116

Deposits

Inventories

121

Office Supplies

122

Materials and Spare Parts

123

Arrastre/Stevedoring Supplies

126

Prepayments

128

Other Current Assets

130-139

Long Term Investments

131

Long Term Investments

140-179

Property and Equipment

141

Land

142

Building and Sheds

143

Cargo Handling Equipment/Gears

144

Transportation Equipment

145

Motorpool Equipment/Tools

146

Fire Fighting Equipment

147

Office Furniture, Fixtures & Equipments

148

Medical & Dental Equipment

149

Other Property & Equipment

142-1

Accumulated Depreciation-Building & Shed

143-1

Accumulated Depreciation-Cargo Handling
Equipment/Gears

141

Accumulated Depreciation-Transportation/
Equipment

145-1

Accumulated Depreciation-Fire-Fighting
Equipment

147-1

Accumulated Depreciation-Office Furniture
Fixtures & Equip.

148-1

Accumulated Depreciation-Medical &
Dental Equipment

<u>ACCOUNT CODE</u>	<u>A C C O U N T T I T L E</u>
149-1	Accumulated Depreciation- Other Property & Equipment
161	Appraisal Increment
161-1	Accumulated Depreciation- Appraisal Increment
180-199	<u>Other Assets</u>
181	Equipment & Parts in Transit
182	Organizational Cost
183	Construction in Progress
191	SSS Claims Receivable
192	Tax Withheld at Source
	<u>LIABILITIES AND EQUITY ACCOUNTS</u>
200-299	Current Liabilities -----
201	Accrued Salaries, Waes, Benefits
202	Accrued Taxes, Interest & Expenses
203	Taxes Withheld Payable
204	Trust Liability - PPA Share
205	Loans Payable
206	Accounts Payable
207	Income Tax Payable
208	SSS Premium Payable
209	Medicare & ECC Premium Payable
210	Pag-ibig Premium Payable
211	Current Portion of Long Term Debt
212	Claims Payable
213	Other Current Liabilities
220-229	Deferred Credits -----
221	Deferred Credits
230-239	Long Term Liabilities -----
231	Long Term Liability
240-249	Reserves -----
250-299	Capital and Retained Earnings -----
251	Capital (For Single Proprietorship and partnership only)
251-1	Drawing Accounts

<u>ACCOUNT CODE</u>	<u>A C C O U N T T I T L E</u>
255	Capital Stock Authorized _____ Shares with A Par Value P _____/Share; Issued and Outstanding, _____ Shares
256	Premium on Paid in Capital
261	Revaluation, Surplus
271	Retained Earnings
281	Revenue & Expense Summary

B. REVENUE AND EXPENSE ACCOUNTS

<u>ACCOUNT CODE</u>	<u>A C C O U N T T I T L E</u>
300-399	Revenue -----
301	Arrastre
302	Stevedoring
303	Special Services
304	Porterage
311	Interest Income
315	Gain on Sale of Assets
318	Other Non-Service Income
340-349	Direct Deductions to Revenue -----
341	PPA Share
351-364	Operating Expenses -----
351	Salaries, Wages, Bonuses & Allowances
352	Salaries and Wages- Overtime
353	Employees Benefits
354	SSS, Medicare, EC Fund & Pag-1big
355	Medical
356	Fuel, Oil & Lubricants
357	Repairs and Maintenance
358	Power, Light & Water
359	Claims
360	Depreciation
361	equipment Rental
362	Taxes & Licenses
363	Security Services
364	Field Supplies
370-397	General & Administrative Expenses

ACCOUNT CODEA C C O U N T T I T L E

374	Medical
375	Stationery & Office Supplies
376	Performance Bond Premium
377	Fuel, Oil & Lubricants
378	Repair and Maintenance
379	Professional fees
380	Rent
381	Power, Light and Water
382	Postage, Tel. & Telegrams/Communication
383	Travel and Transportation
384	Security and Janitorial Services
385	Insurance
386	Representation and Entertainment
387	Training & Personnel Development
388	Advertisement & Promotion
389	Association and Membership Fees
390	Donation and Contributions
391	Subscription
392	Bad Debts
393	Commission
394	Depreciation
395	Meetings and Conferences
396	Taxes and Licenses
397	Miscellaneous

PART III _ FINANCIAL PROFILE

Item 26 Balance Sheet
December 31, 19__ and 19__

	19__	19__		19__	19__
A S S E T S			LIABILITIES & OWNERS/ STOCKHOLDERS' EQUITY		
CURRENT ASSETS			CURRENT LIABILITIES		
101 Petty Cash & Charge Fund			201 Accrued Salaries, Wages, & Benefits		
103 Cash on Hand			202 Accrued Taxes, Interest & Expenses		
104 Cash in Bank			203 Taxes Withheld Payable		
111 Short Term Invest.			204 Trust Liability-PPA Share		
112 Notes Receivable			205 Loans Payable		
113 Trade Accounts Receivable			206 Accounts Payable		
113-1 Allowable for Bad Debts			207 Income Tax Payable		
114 Non-Trade Accounts Receivable			208 SSS Premiums Payable		
115 Advances to Officers			209 Medicare & ECC Premium Premium Payable		
116 Deposits			210 Pag-ibig Premium Payable		
Inventories :			211 Current Portion of Long Term Debt		
121 Office Supplies			212 Claims Payable		
122 Spare Parts			213 Other Current Liabilities		
123 Arrastre/Stevedoring Supplies			214 Trust Liabilities VAT Output		
126 Prepayments					
128 Other Current Assets					
TOTAL CURRENT ASSETS			TOTAL CURRENT LIABILITIES		
131 Long Term Investment			DEFERRED CREDITS		
			221 Deferred Credits		
			231 Long Term Liability		

	19	19	19	19
PROPERTY AND EQUIPMENT			RESERVES	
141 Land	_____		OWNERS/STOCKHOLDERS EQUITY	
142 Building & Sheds	_____		252 Capital *	
143 Cargo Handling	_____			
Equipment/Gears	_____		251-1 Drawing Accounts *	
144 Transportation	_____		255 Capital Stock Authorized	
Equipment	_____		Share w/a per value of P	
145 Motorpool Equipment	_____		Outstanding	
146 Firefighting Equipment	_____		shares; issued and	
147 Office Furniture	_____		outstanding shares	
& Equipment	_____			
148 Medical & Dental	_____		256. Premium on Paid-in Capital	
Equipment	_____			
149 Other Property &	_____			
Equipment	_____			
Total Property &	_____		261 Revaluation Surplus	
Equipment	_____			
Less: Accum. Dep.	_____		271 Retained Earnings	
Net of Property &	_____			
Equipment	_____			
161 Appraisal Increment	_____			
Less: 161-1	_____			
Accum. Dep. on	_____			
Appr. Increment	_____			
TOTAL NET PROPERTY			TOTAL OWNERS/	
AND EQUIPMENT			STOCKHOLDERS EQUITY	
OTHER ASSETS				
181 Equipment & Parts	_____			
in Transit	_____			
182 Organization Cost	_____			
183 Construction in	_____			
Progress	_____			
191 SSS Claims Receivable	_____			
192 Taxes W/held at Source	_____			
193 VAT Input	_____			
TOTAL OTHER ASSETS	_____			
TOTAL ASSETS	_____		TOTAL LIABILITIES & OWNERS/	
			STOCKHOLDERS' EQUITY	

* For single proprietorship only

Item 2/. Statement of Income and Retained Earnings
For the Period Ended December 31, 19____ and 19____

NAME OF CARGO HANDLER
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIODS ENDED DECEMBER 31, 19____ and 19____

REVENUE	19____	19____
301 ARRASTRE	_____	_____
302 STEVEDORING	_____	_____
303 SPECIAL SERVICES	_____	_____
304 PORTERAGE	_____	_____
305 OTHER CARGO HANDLING REL.. INCOME	_____	_____
TOTAL REVENUE	_____	_____
341 LESS: FPA SHARE	_____	_____
GROSS INCOME	_____	_____
OPERATING EXPENSES		
351 SALARIES, WAGES, BONUSSES & ALLOWANCES	_____	_____
352 SALARIES & WAGES-OVERTIME	_____	_____
353 EMPLOYEES BENEFITS	_____	_____
354 SSS, MEDICARE, EC FUND & PAG-IBIG	_____	_____
355 MEDICAL	_____	_____
356 FUEL, OIL, LUBRICANTS	_____	_____
357 REPAIRS AND MAINTENANCE	_____	_____
358 POWER, LIGHT, & WATER	_____	_____
359 CLAIMS	_____	_____
360 DEPRECIATION	_____	_____
361 EQUIPMENT RENTAL	_____	_____
362 TAXES & LICENSES	_____	_____
363 SECURITY SERVICES	_____	_____
364 FIELD SUPPLIES	_____	_____
TOTAL OPERATING EXPENSES	_____	_____
GENERAL & ADMINISTRATIVE EXPENSES		
370 SALARIES & WAGES-REGULAR	_____	_____
371 SALARIES & WAGES-OVERTIME	_____	_____
372 EMPLOYEES BENEFITS	_____	_____
373 SSS, MEDICARE, EC FUND & PAG-IBIG	_____	_____
374 MEDICAL	_____	_____
375 STATIONERY & OFFICE SUPPLIES	_____	_____
376 PERFORMANCE BOND PREMIUMS	_____	_____
377 FUEL, OIL & LUBRICANTS	_____	_____
378 REPAIRS AND MAINTENANCE	_____	_____
379 PROFESSIONAL FEES	_____	_____
380 RENT	_____	_____

381	POWER, LIGHT & WATER		
382	POSTAGE, TELEPHONE & TELEGRAMS		
383	TRAVEL & TRANSPORTATION		
384	SECURITY AND JANITORIAL SERVICES		
385	INSURANCE		
386	REPRESENTATION & ENTERTAINMENT		
387	TRAINING & PERSONAL DEVELOPMENT		
388	ADVERTISEMENTS & PROMOTIONS		
389	ASSOCIATION & MEMBERSHIP FEES		
390	DONATION & CONTRIBUTION		
391	SUBSCRIPTION		
392	BAD DEBTS		
393	COMMISSION		
394	DEPRECIATION		
395	MEETINGS & CONFERENCES		
396	TAXES & LICENSES		
397	MISCELLANEOUS		
	TOTAL GENERAL & ADMIN. EXPENSES		
	TOTAL EXPENSES		
	NET OPERATING INCOME		
OTHER INCOME (CHARGES)			
311	INTEREST - NET		
316	MISCELLANEOUS		
315	GAIN ON SALE OF FIXED ASSETS		
	TOTAL NON OPERATING INCOME (CHARGES)		
	PROVISIONS FOR INCOME TAX		
	NET INCOME (LOSS)		