



Republika ng Pilipinas
PANGASIWAAN NG DAUNGAN NG PILIPINAS
(PHILIPPINE PORTS AUTHORITY)

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September 25, 1978

PPA ADMINISTRATIVE ORDER
NO. 15 - 78

SUBJECT: Posting of Performance Bond
by Cargo Handling Operators

T O : PORT MANAGERS, FINANCE OFFICERS,
CARGO HANDLING OPERATORS AND
ALL OTHERS CONCERNED

To amplify and ensure the uniform implementation of Section 1, paragraph (c) of PPA Administrative Order No. 22-77, dated December 9, 1977, requiring the posting of sufficient bond acceptable to PPA by cargo handling operators in order to amply protect the financial interest of the government and the public and generate the faithful performance, the following guidelines or regulations are hereby prescribed:

1. A performance bond shall be posted duly by an arrastre/stevedoring operator/contractor issued permit or contract by this Authority in an amount to be determined in accordance with these schedules:

<u>Annual Gross Income</u> <u>of Preceding Year</u>	<u>Amount of</u> <u>Bond</u>
₱ 1,000 or more but less than ₱ 5,000	₱ 5,000
₱ 5,000 or more but less than ₱ 10,000	₱ 10,000
₱ 10,000 or more but less than ₱ 20,000	₱ 15,000
₱ 20,000 or more but less than ₱ 50,000	₱ 20,000
₱ 50,000 or more but less than ₱ 100,000	₱ 30,000
₱ 100,000 or more but less than ₱ 300,000	₱ 40,000
₱ 300,000 or more but less than ₱ 600,000	₱ 50,000
₱ 600,000 or more but less than ₱ 1,000,000	₱ 80,000
₱ 1,000,000 or more but less than ₱ 2,500,000	₱ 100,000
₱ 2,500,000 or more but less than ₱ 5,000,000	₱ 200,000
₱ 5,000,000 or more but less than ₱ 7,500,000	₱ 300,000
₱ 7,500,000 or more but less than ₱ 12,000,000	₱ 500,000
₱ 12,000,000 and above	₱ 1,000,000

2. At least two (2) surety companies are required, if the amount of bond exceeds ₱200,000.00
3. The bond shall guarantee fully and faithfully the following:
 - a) the payment of salaries/wages of employee/laborers as the said obligation falls due;
 - b) the faithful compliance of all PPA rules and regulations affecting cargo handling services and the permit and/or contract; and
 - c) the payment of corresponding share of the government.
4. The bonds posted by operators as required in their permits and/or contracts shall continue to be valid until expired. Upon their expiration or renewal (existing bonds), the bonds shall be renewed or adjusted based on the above schedules.
5. The bonds required shall be secured from surety or bonding companies duly licensed by the Insurance Commission and acceptable to this Authority. For your guidance, attached as Annex "A" is the list of surety companies duly licensed to do business during the Fiscal Year 1978-1979.

All PPA orders, rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

This Order takes effect immediately.



E. S. BACLIG JR.
General Manager

