



Bonifacio Drive, South Harbor, Port Area, Manila 1018, Philippines, P.O. Box 436, Manila, Philippines  
Tel. No. (0632) 527-8356, Fax No. (0632) 527-4855, <http://www.ppa.com.ph>

APR 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

**VISION**

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

**MISSION**

*090401-002 153-1812*  
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.

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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 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

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;
- 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.

**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
- 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

**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 therefor 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.
- 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
  - 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;
  - b) Posted continuously in the PPA website and the Government Electronic Procurement System (G-EPS) for seven (7) calendar days starting on 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.
- 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 percent (60%) of the interest belongs to citizens of the Philippines;
- 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 "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 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 Number (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
- 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
- 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

**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.
- 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.

- 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 (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.

- 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.
- 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.
- 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 exceeds 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.
- 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).
- 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. 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.

**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;
- 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 thirty (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.

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%)

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, 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. 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.



**ATTY. OSCAR M. SEVILLA**  
General Manager

Published in the Manila Standard - April 17, 2009

Effectivity Date - May 1, 2009



**ANNEX III – A**

**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 & Availability of Eligibility Documents	<b>(To be specified by the BAC)</b>		
2. Deadline for Submission of Eligibility Documents			
3. Opening of Eligibility Documents			
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 the 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 & Signature of Chairperson

## **ANNEX III – B**

### **INSTRUCTIONS TO PROSPECTIVE BIDDERS**

## **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".
- 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**)
- 4) DTI, SEC or 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 documents 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.

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)**
- 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)**

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

## **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. 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.**



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

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**

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

E Form - 06

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

**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 depose and say:

1. That I am the \_\_\_\_\_ (Position) of the \_\_\_\_\_ (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, single/married, Filipino 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 the \_\_\_\_\_ (Name of the firm or entity), engaged in the business of \_\_\_\_\_ (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.

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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 depose 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 \_\_\_\_\_ SS }

## 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 depose 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 address 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 hereunto affixed my signature this \_\_\_\_\_ day of \_\_\_\_\_ 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 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 operations 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			

Person Managing the Company:

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

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

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

II. LEGAL INFORMATION:

Place 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
<b>COMPLETED</b> (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 : \_\_\_\_\_

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

**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**

**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**

**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**

**E Form - 21**

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



E Form - 22

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

**COMPUTATION OF AVAILABLE PAID UP 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 : \_\_\_\_\_

**INTENDED WORKING CAPITAL FOR CARGO HANDLING  
OPERATIONS**

**CERTIFICATION**

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**

## PART I: INSTRUCTIONS TO BIDDERS

### 1. Scope of Bid

- 1.1 The scope of this bid is the management 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.
- 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.

#### **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 clarification(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**.

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);
- 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:
- Cash, certified check, cashier's check, manager's check, bank draft/guarantee confirmed by a reputable local bank;
  - 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;
  - 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
  - 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.
- 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

- 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 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.
- 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 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.

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. 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.
- 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. 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.

## **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 representative shall formally enter into contract with the Authority within ten (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;

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**

**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.
  - 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 ships' 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;
  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 (2<sup>nd</sup>) 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.
- 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.

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- 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 borne 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

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

- 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.
- 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.

## **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.

## **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 & 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.**

**TB FORM 3**

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

**TB FORM 4**

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

REPUBLIC OF THE PHILIPPINES }  
CITY OF \_\_\_\_\_ } SS

### 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. That 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 \_\_\_\_\_ } SS

### 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 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, 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 \_\_\_\_\_.



**TB Form 7**

**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.
  - (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.

**TB FORM 9**

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

**ANNEX III – F**

**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 & 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.

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 \_\_\_\_\_.

**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**



**ANNEX III – G**

**PRO-FORMA CH CONTRACT**

**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:

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) 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 aforequoted 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**.

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. **Portworkers' 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.
- 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 the 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 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 aforecited 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 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 expense 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.

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:

\_\_\_\_\_

\_\_\_\_\_

### ACKNOWLEDGMENT

REPUBLIC OF THE PHILLIPINES )  
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  
instrument 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 acknowledgment 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 \_\_\_\_.