

**Bidding for the Management and
Operation of Cargo Handling,
Passenger Terminal Building, RORO
and Other Port Related Services for the
Clustered Ports of Balingoan and
Jasaan, Misamis Oriental/Cagayan De
Oro
(the “Project”)**

**BID DOCUMENTS
BAC-PTMC – 04-2024**

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SECTION I. Invitation to Bid



INVITATION TO BID

PORT TERMINAL MANAGEMENT CONTRACT FOR THE CLUSTERED PORTS OF BALINGOAN AND JASAAN MISAMIS ORIENTAL/CAGAYAN DE ORO

1. The Philippine Ports Authority (PPA), through the Bids and Awards Committee for Port Terminal Management Contracts (BAC-PTMC), invites potential bidders to submit Letter of Intent (LOI) for the public bidding for the ***management and operation of the cargo handling (CH), passenger terminal building, RORO and other port related services*** of the **Clustered Ports of the Balingoan and Jasaan, Misamis Oriental/Cagayan De Oro** (the "Project"). The Project consists of:
 - a) Ancillary and other related services
 - b) Bagging Services
 - c) Berthside Operations
 - d) Stevedoring Service
 - e) Passenger Terminal Management
 - f) Porterage Services
 - g) RORO Cargo Services
 - h) Container Terminal Management
 - i) Storage Management
 - j) Waste and Shore Reception Facility Management
 - k) Weighbridge Facility
2. The Concession Period shall be for a period of fifteen (15) years.
3. The Minimum Concession Fee for the Project for the duration of the Concession Period is **TWO HUNDRED THIRTY-FOUR MILLION NINE HUNDRED THREE THOUSAND FOUR HUNDRED SEVEN PESOS AND 50/100 (Php 234,903,407.50)**, exclusive of all taxes. Bids received below the minimum concession fee shall be automatically rejected.

The minimum concession fee for Year 1 of PTMC is **TEN MILLION EIGHT HUNDRED EIGHTY-FIVE THOUSAND NINE HUNDRED SIXTY-ONE PESOS AND 27/100 (Php 10,885,961.27)**, exclusive of all taxes.

4. At least two (2) years experience in providing port terminal management services/cargo handling services or other related port services, as indicated in completed and ongoing contracts.
5. A prospective bidder must not be engaged in any business activity, whether primarily or otherwise, which will prevent it from properly and sufficiently discharging its contractual obligations under any port terminal management contract to be awarded. This prohibition shall cover entities engaged in maritime transportation.
6. Bidding shall be conducted through open competitive bidding procedures using non-discretionary pass/fail criterion as specified in PPA Administrative Order No. 12-2018, as amended.
7. The schedule of bidding activities from the advertisement of the Invitation to Bid up to Opening of Bids is as follows:

Bidding Activities	Date	Time	Place
1. Advertisement of Invitation to Bid	April 15, 2024		Daily Tribune
2. Issuance and Availability of Bidding Documents	April 15, 2024		BAC-PTMC, 7th Floor, PPA Corporate Building, Port Area, Manila
3. Pre-Bid Conference	April 23, 2024	10:00 am	Conference Room B, 7 th Floor, PPA Corporate Building, Port Area, Manila
4. Deadline for Submission of Bids	May 8, 2024	1:00 pm	Conference Room B, 7 th Floor, PPA Corporate Building, Port Area, Manila
5. Bid Opening	May 8, 2024	2:00 pm	Conference Room B, 7 th Floor, PPA Corporate Building, Port Area, Manila

8. Interested bidders may obtain further information from the Philippine Ports Authority Bids and Awards Committee – Port Terminal Management Contract (BAC-PTMC) and inspect the bidding documents at the address given below from 8:00AM to 5:00PM, Monday to Friday.
9. A complete set of bidding documents may be acquired by the interested bidders on April 15, 2024 from the address below and upon payment of the applicable fees for the bidding documents in the amount of ONE HUNDRED THOUSAND PESOS (Php 100,000.00) pursuant to PPA AO No. 13-2019. It may be downloaded from the website of the Philippine Ports Authority at www.ppa.com.ph; provided that, prospective bidders shall pay the non-refundable fee on or before the deadline for submission of the eligibility documents.

10. All bids must be accompanied by a bid security in any of the following forms and the corresponding amount:

FORM OF BID SECURITY	AMOUNT OF BID SECURITY Not less than the required minimum concession fee (+ port development cost)
Cash, cashier's check or manager's check	Two percent (2%)
Bank draft/guarantee or irrevocable letter of credit issued by a Universal or commercial bank: provided, however, that it shall confirmed or authenticated by a universal or a commercial bank, if issued by a foreign bank	
Surety Bond, callable upon demand issued by the GSIS or PPA accredited insurance company	Five percent (5%)

11. Late bids shall not be accepted.


12. Bids will be opened in the presence of the bidder's representative who choose to attend.

13. The PPA assumes no responsibility whatsoever to compensate or indemnify bidders of any expenses incurred in the preparation of their bids.

14. 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, in accordance with Section 31, Article VII of PPA AO No. 12-2018, as amended.

15. For further information, please refer to:

DIANE STEFFI T. GUILLAMON
 BAC-PTMC Secretariat
 7th Floor, Bids and Awards Committee
 Port Terminal Management Contract
 Telephone No. 527-8356 local 703
 Email address: dstguillamon@ppa.com.ph
 PPA website: www.ppa.com.ph



MARK JON S. PALOMAR
 Vice-Chairperson
 PPA Bids and Awards Committee
 for Port Terminal Management Contract

Section II. Instruction to Bidders

INSTRUCTIONS TO BIDDERS

1. Scope of Bid

- 1.1 Bidders are invited to submit their technical and financial bids for the management and operations of cargo handling, passenger terminal building, RORO and other port related services of the Port subject of bidding. The bids submitted shall be the basis for an award and ultimately for a signed contract with the bidder.

2. Corrupt, Fraudulent and Coercive Practices

- 2.1 The Philippine Ports Authority (PPA) and the bidders shall observe the highest standard of ethics during the bidding and execution of the Port Terminal Management Contract. In pursuance of this policy, the PPA:

- a) Defines, for the purposes of this provision, the terms set forth below as follows:

1. **“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;
2. **“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 PPA of the benefits of free and open competition;
3. **“collusive practices”** means a scheme or arrangement between two or more bidders, with or **without** the knowledge of the **PPA**, designed to establish non-competitive levels of bids;
4. **“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;
5. **“obstructive practice”** is:
 - i. deliberately destroying, falsifying, altering or concealing of evidence material to an administrative proceedings or

investigation or making false statements to investigators in order to materially impede an administrative proceedings or investigation of the PPA or a concerned government agency into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the administrative proceedings or investigation or from pursuing such proceedings or investigation; or

- ii. acts intended to materially impede the exercise of the inspection and audit rights of the PPA or a concerned government agency.
- 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;
 - c) Will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a contract, if the PPA, 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 PPA will seek to impose the maximum penalties for civil, administrative, and/or criminal penalties available under the applicable law on individuals and organizations deemed to be involved with corrupt or fraudulent practices.
- 2.3 Furthermore, the PPA reserves the right to inspect and audit records and accounts of the bidders in the bidding for and performance of the contract.

3. Conflict of Interest

- 3.1 All bidders found to have conflicting interests shall be disqualified to participate in the bidding at hand, without prejudice to the imposition of appropriate administrative, civil and criminal sanctions. A bidder may be considered to have conflicting interests when:
- 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 the bidding;
 - 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 PPA regarding this bidding process;

- e) A bidder submits more than one (1) bid in this bidding process;
- f) A bidder participated as a consultant for the PPA in the preparation and design of the Port subject of bidding;
- g) A bidder is in a situation which he/she has a duty or responsibility to more than one person or organization, but cannot do justice to the actual or potentially adverse interests of both parties.

4. Eligible Bidders

4.1 The following persons/entities shall be allowed to participate in the selection and award for the port terminal management:

- a) Duly licensed Filipino citizens/sole proprietorship;
- b) 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;
- c) 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;
- d) Persons or entities forming themselves into a joint venture that intend to be jointly and severally responsible or liable for the port terminal management contract. Provided, however, that Filipino ownership or interest of the joint venture concerned shall be at least sixty percent (60%). For this purpose, Filipino ownership or interest shall be based on the contributions of each of the members of the joint venture as specified in their Joint Venture Agreement (JVA);
- e) Cooperatives duly organized under the laws of the Philippines, and of which at least sixty percent (60%) belongs to the citizens of the Philippines.

4.2 Prospective bidders who have no outstanding dispute against the PPA or its Board, officials and/or employees arising or in connection with the official performance of their functions, whether administrative or civil, before any court, tribunal, or administrative body;

4.3 Prospective bidders who have no record of:

4.3.1 Cancelled or pre-terminated contract with the PPA;

4.3.2 Abuse of its dominant position as found by competent authority;

4.3.3 Abandoned contract;

4.3.4 Refused acceptance of award, or to enter into a contract with the PPA;

4.3.5 Outstanding financial obligations to the PPA or other government agencies.

4.4 In case of a foreign person/entity, the prospective foreign bidder shall likewise comply with the requirements under Clause 4 and shall submit the appropriate equivalent documents enumerated under Clause 3 in English, issued by the country of the foreign bidder concerned, and the same shall be authenticated by the Philippine foreign service establishment/post or the equivalent office having jurisdiction over the foreign bidder concerned.

5. Bidders Responsibilities and Disclaimer of the PPA

5.1 The Bidder shall be responsible for the following:

- a) Having taken steps to carefully examine all the Bid Documents. Failure to do so shall be at the Bidder's risk;
- b) Having acknowledged all conditions, local or otherwise, affecting the implementation of the contract;
- c) Having complied with its responsibility to inquire or secure, if necessary, a supplemental/bid bulletin;
- d) Ensuring that each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;
- e) Complying with all other requirements under existing and applicable laws, rules and regulations.

5.2 The Bidder is expected to examine all instructions, forms, terms, and specifications in the bid documents.

5.3 It shall be the sole responsibility of the Bidder to determine and to satisfy itself by such means as it considers necessary or desirable as to all matters pertaining to the management, operations, financing and maintenance of the Port subject of bidding, including: (a) the nature of the contract, (b) the availability of labor, transportation and communications, and (c) other factors that may affect the bid and the implementation of the contract.

5.4 The PPA shall not assume any responsibility regarding erroneous interpretations or conclusions by the Bidder out of the data furnished by the PPA.

5.5 The Bidder shall bear all costs associated with the preparation and submission of its bid, including costs for site inspection, and the PPA shall in no case be responsible or liable for these costs, regardless of the outcome of the bidding process.

5.6 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.

5.7 The Bidder should note that the PPA shall accept bids only from those that have paid the non-refundable fee of the Bid Documents at the office indicated in the Invitation to Bid.

6. One Bid Per Bidder

6.1 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.

7. Pre-Bid Conference

7.1 The pre-bid conference shall be held at the venue, time and date indicated in the Invitation to Bid, to clarify and address the bidder's question on the technical and financial components of the bid documents.

7.2 The bidders are encouraged to attend the pre-bid conference to ensure that they fully understand the requirements of the PPA. Non-attendance at the Pre-Bid Conference shall not be a ground for disqualification of the bidder; however, the bidder is expected to know clarifications/corrections made to the bid documents discussed during the pre-bid conference.

7.3 Any statements made at the pre-bid conference shall not affect the terms of the bid documents unless such statement is specifically identified in writing and issued as a Supplemental/Bid Bulletin.

8. Clarification and Correction of Bid Documents

8.1 The bidders who have purchased the bid documents may request for clarification(s) or interpretation on any part of thereof. 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 bid documents, at least seven (7) calendar days before the deadline for the submission and receipt of bids.

8.2 Supplemental/Bid Bulletin may be issued upon the PPA's initiative for purposes of clarifying or correcting (e.g. clerical/typographical errors) any provision of the bid documents not later than seven (7) calendar days before the deadline for the submission and receipt of bids. Any correction to the bid documents shall be properly identified.

- 8.3 Any supplemental/bid bulletin issued by the BAC shall be posted on the PPA website and in a conspicuous place in the premises of the Head Office and the Port Management Office holding jurisdiction of the Port subject of bidding. It shall be the responsibility of all Bidders who secure the Bidding Documents to inquire and secure Supplemental/Bid Bulletins that may be issued by the BAC. However, eligible 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 Clause 15 below. The Supplemental/Bid Bulletin issued shall become part of the Bidding and Contract Documents.

9. Language of Bids

The eligibility requirements or statements, the bids, and all other documents to be submitted to the BAC must be in English. If the eligibility requirements or statements, the bids, and all other documents submitted to the BAC are in foreign language other than English, it must be accompanied by a translation of the documents in English. The documents shall be translated by the relevant foreign government agency, the foreign government agency authorized to translate documents, or a registered translator in the foreign bidder's country; and shall be authenticated by the appropriate Philippine foreign service establishment/post or the equivalent office having jurisdiction over the foreign bidder's affairs in the Philippines. The English translation shall govern, for purposes of interpretation of the bid.

10. Documents Comprising the Bid

The Bidders shall submit their bids through their duly authorized 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 eligibility and technical components and the second envelope the financial component.

10.1 Technical Component

The Technical Component of the bid shall contain the following eligibility and technical documents:

10.1.1 Eligibility Documents

A. Legal Eligibility

- i. Letter of Intent (Bid Form 1);
- ii. Business Profile of the Prospective Bidder;
- iii. Valid Certificate of Accreditation issued by PPA for port terminal services or for all the core services included in the bidding;

- iv. In the case of a joint venture, each partner shall submit the Legal and Financial Eligibility forms required under this Section. For purposes of determining compliance with the Technical and Financial Eligibility requirements, the satisfaction by a joint venture partner or by the joint venture partners, whether singly or collectively, of the said requirements shall be considered as sufficient. For joint ventures intending to participate in the bidding process they shall be required to present a duly executed Joint Venture Agreement (JVA) or a duly notarized statement from all the potential joint venture partners. In the absence of said JVA or duly notarized statement, bids received from each of the potential joint venture partner shall be considered separately;
- v. Audited financial statements, showing, among others, the prospective bidder's total and current assets and liabilities, stamped "Received" by the Bureau of Internal Revenue or its duly accredited and authorized institutions, for the preceding calendar years which should not be earlier than two (2) years from the date of bid submission. For new establishments, the balance sheet and income statement, stamped "Received" by the BIR or its duly accredited and authorized institutions for the most recent quarter, shall be acceptable;
- vi. Income Tax Return for the immediately preceding year duly filed and stamped "Received" by the Bureau of Internal Revenue, or proof of electronic filing of the same. For new establishments which have no annual Income Tax Return, the most recent quarterly Income Tax Return duly filed and stamped "Received" by the Bureau of Internal Revenue or proof of electronic filing thereof shall be acceptable;
- vii. Value Added Tax or Percentage Tax Return covering the immediately preceding six (6) months duly filed and stamped "Received" by the Bureau of Internal Revenue, 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 Bureau of Internal Revenue or proof of electronic filing thereof shall be acceptable;
- viii. Prescribed Philippine Contractors Accreditation Board License of the prospective bidder or any of its partners, in case of joint venture, or the nominated entity who will undertake the development commitment under the Port Development Plan;

- ix. Omnibus Sworn Statement in the prescribed form (Bid Form 2);

B. Technical Eligibility

- i. Statement of the prospective bidder of its completed, ongoing, and awarded but not yet started port terminal management/cargo handling contracts within the last five (5) years (Bid Form 3);
- ii. Statement of prospective bidders' participation in all ongoing selection and award of port terminal management contracts but which have not yet been awarded (Bid Form 4);
- iii. Statement of prospective bidder's completed, ongoing, and awarded but not yet started infrastructure contracts (Bid Form 5). A prospective bidder must have experience of having a completed contract that is similar to the development commitment under the port development plan.

A prospective bidder shall be allowed to nominate one (1) entity to undertake the development commitment. The entity nominated shall not be nominated by the other prospective bidders for the same Port Terminal Management Contract subject of the bidding.

The nominated entity must have experience of having completed a contract that is similar to the development commitment under the port development plan.

- iv. At least two (2) years experience in providing port terminal management services/cargo handling services or other related port services, as indicated in completed and ongoing contracts.

C. Financial Capability

Prospective bidder's financial capability.

To ensure that the bidder is financially capable of entering into a contract, the following requirements must be complied with:

- a) The paid-up capital of the prospective bidder shall not be less than thrice the minimum first year concession fee of the port subject of bidding; and,
- b) The prospective bidder shall include the manager's check equivalent to the minimum concession fee for the

first year in the bid to be submitted. The manager's check, enclosed in an envelope, and a photocopy of the check shall both form part of the Technical Component.

10.1.2 Technical Documents

- a) Technical Bid Submission Form (Bid Form 6);
- b) Bid security as to form, amount, and validity period;
- c) Proposed Organizational Chart for the Port Terminal Management Contract to be bid;
- d) Names of key personnel with their complete qualification and experience data, such as but not limited to the General Manager, Operations Manager, Safety Officer, and Supervisor, all of which must have the required experience as specified in the Bid Documents. In no case shall any officer hold more than one (1) position (Bid Form 7);
- e) The Port Development Plan, which shall contain project specification standards not lower than that prescribed by the Authority. The minimum project specification standards prescribed by the Authority refer to the following (i) Infrastructure Investment and Maintenance Program and (ii) the Port Productivity Commitments. It shall likewise contain the following:
 - i. Traffic Projection and Analysis;
 - ii. Capital Structure Commitment (supported by Cash Flow projections for the period covered by the Concession Agreement)
 - iii. Equipment Procurement and Maintenance Program;
 - iv. Safety and Security Program;
 - v. Marketing Strategy;
 - vi. Manual of Systems and Procedures;
 - vii. Manpower Development Program;
 - viii. Environmental and Waste Management Plan;
 - ix. Port Management and Information System (MIS) Plan

- f) Bidder's intended working capital for port terminal operations, which shall not be lower than that prescribed by the Authority.

10.2 Financial Component

The Financial Component of the bid shall contain the following information and supporting documents:

1. Financial Bid Submission Form (Bid Form 8);
2. Proposed Concession Fee for the Terminal Management Operations at the port subject of the bidding process, provided, that the proposed concession fee per year shall have a minimum escalation of 5.0% per year (Bid Form 9). The Financial Bid which does not comply with the requirements thereof is considered non-complying and shall be rejected.

11. Bid Validity

- 11.1 The Bid shall remain valid for a period of one hundred twenty (120) days after the date of bid opening.
- 11.2 In exceptional cases, prior to expiry of the original validity period of the bid, the BAC may request the Bidders, in writing, to extend the validity period thereof. The Bidders, however, shall have the right to refuse to grant such extension without forfeiting its bid security, but its Bid shall no longer be considered for further evaluation and award. A Bidder who grants such request shall not be permitted or required to modify its Bid.

12. Bid Security

- 12.1 All Bids shall be accompanied by a bid security, payable to the PPA as a guarantee that the winning bidder shall, within thirty (30) calendar days from receipt of the Notice of Award (NOA), enter into a port terminal management contract with the PPA.
- 12.2 The bid security shall be in the amount at least equal to, and not lower than the minimum concession fee, plus the port development costs, as the case may be, in any of the following forms:
 - a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank;
 - b) Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank; or

- c) Surety bond, callable upon demand, issued by the Government Service Insurance System (GSIS) or PPA accredited Insurance company.

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

FORM OF BID SECURITY	AMOUNT OF BID SECURITY Not less than the required minimum concession fee (+ port development cost)
Cash, cashier's check or manager's check	Two percent (2%)
Bank draft/guarantee or irrevocable letter of credit	
Surety Bond	Five percent (5%)

12.4 The required bid security based on the above schedule shall be the minimum amount thereof and shall be stated in Philippine Peso and posted in favor of the PPA.

12.5 No bid securities shall be returned to the bidder after the opening of bids and the posting of the performance security, but in no case to exceed the bid validity period, except to those that (i) failed to comply with any of the requirements to be submitted in the Bid Documents, 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.

12.6 Failure to enclose the bid security in the Technical Bid or the posting of a bid security less than the stipulated amount shall be a ground for outright rejection of the Bid.

12.7 The bid security may be forfeited:

- a) if the Bidder withdraws the bid after the bid opening during the period of bid validity;
- b) if a Bidder submits eligibility and/or bid documents containing false information or falsified documents or the concealment of such information in the bids in order to influence the outcome of eligibility screening or any other stage of the bidding process;
- c) if a Bidder refuses to clarify or validate, in writing, its bid during bid evaluation or post-qualification within a period of seven (7) calendar from receipt of the request for clarification;
- d) in cases of any documented attempt by a Bidder to unduly influence the outcome of the bidding in its favor;

- e) failure of the joint venture partners to incorporate within the prescribed period;
- f) in the case of a successful Bidder, if such bidder fails within the specified period to sign the contract and/or furnish the required performance security; or
- g) all other acts that tend to defeat the purpose of competitive bidding.

13. Format and Signing of Bid

- 13.1 The Bidder shall submit its bid through its duly authorized representative using the appropriate forms, on or before the deadline specified in the Invitation to Bid, in two (2) separate sealed bid envelopes, and which shall be submitted simultaneously. The first shall contain the Technical Bid, and the second shall contain the Financial Bid.
- 13.2 Forms as mentioned shall be completed without any alterations to their format, if any, and no substitute form shall be accepted. All blank spaces shall be filled in the information requested.
- 13.3 The Bidder shall prepare and submit an original of the first and second envelopes. In addition, the bidder shall submit seven (7) copies of the Technical and Financial bids. In the event of any discrepancy between the original and the copy, the original shall prevail.
- 13.4 The original and all copies of the Bid shall be book-bound with hard cover, chronologically paged and properly labeled with index tabs. Failure to comply with any of these requirements shall be a ground for rejection of the Bid.
- 13.5 The original and all copies of the Bid shall be typed or written in indelible ink. The original copy should be signed and each and every page thereof shall be initialed, by the duly authorized representative of the Bidder. Failure to comply with any of these requirements shall be a ground for rejection of the Bid.
- 13.6 Any alterations, erasures, interlineations or overwriting shall be valid only if they are signed or initialed by the duly authorized representative of the Bidder.

14. Sealing and Marking of Bids

- 14.1 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**".
- 14.2 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.

- 14.3 The Bidder shall submit ONE (1) original and SEVEN (7) copies of the Technical and Financial Bids in two (2) separate sealed bid envelopes, which should be submitted simultaneously. Each of the bid documents should be individually sealed.
- 14.4 All bid documents shall be book-bound with hard cover and properly labelled with index tabs. Failure to comply with the requirements is a ground for automatic disqualification of the bidder.
- 14.5 All envelopes containing the original and the duplicate copies shall:
- a) bear the name of the contract to be bid: **“PORT TERMINAL MANAGEMENT FOR 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 Invitation to Bid).
- 14.6 Bid envelopes that are not properly sealed and marked, as required in the bidding documents, shall not be rejected, but the Bidder or its duly authorized representative shall acknowledge such condition of the bid as submitted. The BAC shall assume no responsibility for the misplacement of the contents of the improperly sealed or marked bid, or for its premature opening.

15. Deadline for Submission of Bids

- 15.1 Bids shall be submitted by the Bidders and received by the BAC on/or before the date and at the address indicated in the Invitation to Bid.

16. Late Bids

- 16.1 Any Bid submitted after the deadline for submission and receipt of bids shall not be accepted and will be marked “Late”.

17. Modification and Withdrawal of Bids

- 17.1 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.
- 17.2 A Bidder, through a letter, may withdraw its Bid, for valid and justifiable reasons, before the deadline for the receipt of bids. A Bidder may also

express its intention not to participate in the bidding through 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 contract.

- 17.3 Withdrawal of bids after the applicable deadline shall be subject to appropriate sanctions as may be imposed by the PPA, including the forfeiture of the bid security.

18. Opening and Preliminary Examination of Bids

- 18.1 The BAC shall open the Technical Bids of Bidders in public to determine each Bidder's compliance with the documents required to be submitted for the first component of the Technical 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, 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 as "failed". Otherwise, the BAC shall rate the said Technical Bid as "passed".
- 18.2 Immediately after determining compliance with the requirements in the Technical Bid, the BAC shall open the Financial Bid of the complying Bidder/s whose Technical Bid envelope was rated "passed". The Financial Bid of the complying Bidder/s shall be opened within the same day. In case one or more of the requirements in the Financial Bid is missing, incomplete, or patently insufficient, and/or the Financial Bid is less than the floor set by the PPA, the BAC shall rate the bid concerned as "failed". Only bids that are determined to contain all the bid requirements for both components shall be rated "passed" and shall immediately be considered for evaluation and comparison.
- 18.3 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.
- 18.4 The BAC, through the BAC Secretariat, 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.

18.5 The BAC members shall sign the abstract of bids as read.

19. Detailed Evaluation and Comparison of Bids

19.1 Members of the BAC, including its staff and personnel, as well as its BAC Secretariat and the Technical Working Group, 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, unless otherwise allowed in the case of requests for clarification under Clause 19.3.

19.2 Any effort by a Bidder to influence the PPA in its decision in respect of bid evaluation, bid comparison or contract award will result in the rejection of the Bidder's bid.

19.3 To assist in the evaluation, comparison and post-qualification of the bids, the BAC, through the Secretariat, may ask, in writing, any bidder for a clarification of its bid. All responses to requests for clarification shall likewise be in writing. Any clarification submitted by a Bidder in respect of its bid, and that is not in response to a request by the BAC shall not be considered.

19.4 The BAC shall undertake detailed evaluation and comparison of the Financial Bids to determine their compliance with the requirements of the bidding. If the Financial Bid does not meet the said requirements, the same is considered non-complying and shall be rejected.

19.5 The BAC shall rank the complying Bidders thereof in descending order based on their financial bids to identify the Highest Concession Fee (HCF).

19.6 The Bidder with the HCF shall be subject to post-qualification to determine its responsiveness to the eligibility and bid requirements.

20. Post-Qualification

20.1 The post-qualification shall validate and ascertain all statements made and documents submitted by the bidder with the HCF, among others, the following:

- a) Eligibility Requirements – To verify, validate and ascertain the eligibility documents submitted by the Bidder and the fact that it has not been blacklisted by the PPA and other Government agencies or instrumentalities.

- b) Technical Bid – To verify, validate and ascertain compliance with the Technical Bid requirements.
- 20.2 If the BAC determines that the bidder with the HCF passes all the criteria for post-qualification, it shall declare the Bid of the Bidder as the Highest Rated Bid (HRB) and the BAC shall recommend to the Approving Authority the award of the Port Terminal Management Contract to the said Bidder.
- 20.3 If, however, the BAC determines that Bidder with the HCF fails the criteria for post-qualification, it shall immediately notify the said bidder in writing of its post-disqualification, and the grounds for it.
- 20.4 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 HRB and the BAC shall recommend to the Approving Authority the award of the Port Terminal Management Contract to it.
- 20.5 If the second-ranked bidder, however, fails the post-qualification, the post-qualification procedure shall be repeated for the next-ranked bidder, and so on until the HRB is determined for award.
- 20.6 In the event two or more Bidders have been post-qualified with having the HRB, the tie shall be resolved through the drawing of lots or through some other form of lottery or game of chance as may be determined solely by the BAC.

21. Reservation Clause

- 21.1 Notwithstanding the eligibility or post-qualification of a Bidder, the Approving Authority reserves the right to review the bidder's qualifications at any stage of the bidding process if it has reasonable grounds to believe that a misrepresentation has been made by the said bidder, or that there has been a change in the bidder's capability to undertake the Project from the time it submitted its eligibility requirements. Should such review uncover any misrepresentation made in the eligibility and bid documents, statements or documents, or any changes in the situation of the bidder, which will affect its capability to undertake the Project, so that it fails the preset eligibility or bid evaluation criteria, the Approving Authority shall consider the said bidder as ineligible and shall disqualify it from submitting a bid or from obtaining an award or contract.
- 21.2 Furthermore, the Approving Authority reserves the right to reject any and/or all bids, declare a failure of bidding, or not award the Port Terminal Management Contract, without incurring any liability, and make

no assurance that a contract shall be entered into as a result of the bidding, in the following situations:

- a) If there is prima facie evidence of collusion between appropriate public officers or employees of the PPA, 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 award of the Port Terminal Management Contract will not redound to the benefit of the PPA.

21.3 In addition, the BAC may likewise declare a failure of bidding when:

- a) no bids are received;
- b) all Prospective Bidders are declared ineligible;
- c) all bids fail to comply with any of the bid requirements or fail post-qualification; or
- d) subject to Section 28 of PPA Administrative Order No. 12-2018, the bidder with the HRB refuses, without justifiable cause, to accept the award of the contract, sign the contract and/or post the required performance security.

22. Contract Award

22.1 The BAC shall award the contract to the Bidder whose bid has been determined to be the HRB.

22.2 The Approving Authority shall notify the winning bidder in writing that its Bid has been accepted, through a Notice of Award received personally, or sent by registered mail, or electronically, receipt of which must be confirmed within ten (10) days by the winning bidder with the HRB and submitted personally or sent by registered mail or electronically to the PPA.

22.3 Notwithstanding the issuance of the Notice of Award, award of contract shall be subject to the signing of the contract within thirty (30) days from the date of receipt of the Notice of Award.

22.4 Contract signing shall be made within the bid validity period.

23. Signing of the Contract

- 23.1 At the same time as the PPA notifies the Winning Bidder that its bid has been accepted, it shall send the contract form (at least four [4] original copies) to the winning bidder, which contract has been provided in the Bid Documents, incorporating therein all agreements between the parties. The winning bidder shall return the contract form, with its signature, within the same ten (10) day period provided under Clause 22.2.
- 23.2 The Approving Authority shall then sign the contract form not later than fifteen (15) days from the date of receipt by the winning bidder of the Notice of Award, and it shall take effect on the date of signature by the Approving Authority.
- 23.3 Costs for the notarization of the Contract shall be borne by the winning bidder.
- 23.4 In case of failure by the Winning Bidder to observe the periods provided regarding return of the Notice of Award with conforme and return of signed copies of the Port Terminal Management Contract, the procedures regarding refusal of award or failure to enter into contract under PPA AO No. 12-2018, as amended shall apply.

24. Performance Security

- 24.1 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 the signing of the Port Terminal Management Contract. The required amounts and forms of Performance Security shall be in accordance with the following schedule:

FORM OF PERFORMANCE SECURITY	AMOUNT OF PERFORMANCE SECURITY
Cash, cashier's check or manager's check	Equivalent to the total amount of concession fee of the year of which the Performance Security is Posted
Bank draft/guarantee or irrevocable letter of credit	
Surety Bond	

The Performance Security shall be denominated in Philippine Peso and posted in favor of PPA, which shall be forfeited by the PPA in any event it is established that the winning bidder is in default in any of its obligations under the Port Terminal Management Contract. In case of forfeiture by PPA of the performance security, the equivalent amount shall be replenished by the winning bidder.

- 24.2 Failure of the Winning Bidder to comply with the above-mentioned requirement shall constitute sufficient ground for the annulment of the award, forfeiture of the bid security except where such failure or refusal is through no fault of the eligible or winning bidder, and/or cancellation

of the contract, in which event the PPA shall initiate and complete the post-qualification of the second HCF. Provided, that the Eligible Bidder with the next HCF matches the Financial Bid of the eligible or winning bidder who refused to accept award, enter into contract, or failed to submit the performance security within the prescribed period. Otherwise, the BAC shall declare a failure of bidding

25. Notice to Proceed

- 25.1 Within seven (7) calendar days from the date of approval of the Port Terminal Management Contract by the Approving Authority, the PPA shall issue the Notice to Proceed (NTP) together with a copy or copies of the approved contract to the successful Bidder. All notices called for by the terms of the contract shall be effective only at the time of receipt thereof by the successful Bidder.

26. Governing Rules and Regulations

Any and all matters regarding the bidding process and award of contract for the port terminal management of the Port subject of bidding not covered by the provisions of this Instructions to Bidders shall be governed by the applicable provisions of PPA Administrative Order No. 12-2018, as amended.

Section III. Terms of Reference

**Philippine Ports Authority
Port Management Office of Misamis Oriental/Cagayan de Oro**

**TERMS OF REFERENCE
For the Bidding of Port Terminal Management Contract (Tier 3) for the
Clustered Ports of Balingoan in Balingoan, Misamis Oriental and Jasaan in
Kimaya, Jasaan, Misamis Oriental**

1. Introduction

- 1.1 The Philippine Ports Authority (PPA) wishes to engage the services of the Port Terminal Management Operator (PTMO) to provide and manage the cargo handling (CH), passenger terminal building, RORO, and other port related services in the abovementioned port.
- 1.2 This Terms of Reference (TOR) is intended to convey the services and obligations required of the PTMO.

2. Objectives

- 2.1 This TOR shall serve as guide to the eligible bidders interested to participate in the public bidding for the Port Terminal Management Contract (PTMC) for the **Clustered Ports of the Port of Balingoan in Balingoan and the Port of Jasaan in Kimaya, Jasaan, all in the Province of Misamis Oriental under the jurisdiction of PMO Misamis Oriental/Cagayan de Oro**
- 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 PTMC.

3. Scope of Services Subject to Bidding

- 3.1 The scope of this bid is the management and operations of CH, passenger terminal building, RORO, and other port related services at the Clustered Ports of Balingoan in Balingoan, Misamis Oriental and Jasaan in Kimaya, Jasaan, Misamis Oriental which in compasses the area as follows:
 - i. **Port of Balingoan in Balingoan, Misamis Oriental**, which encompasses the area of **8,306.00 sq.m.** particularly defined and delineated in the PLUS, hereto attached as **Annex "A1"**

However, in the second year of the PTMC or upon completion/operationalization of the newly constructed Port Operations Building Area, the scope of the PTMC will be **21,188.50 sq.m.** as provided PLUS (**Annex "A2"**).
 - ii. **Port of Jasaan in Kimaya, Jasaan, Misamis Oriental**, which encompasses the area of **1,979.00 sq.m.** particularly defined and delineated in the PLUS, hereto attached as **Annex "A4"**.

Any future development of any of the abovementioned ports may, at the option of PPA, form part of the concession area. Any additional concession area shall entail additional concession fee in the form of lease.

- 3.2 The minimum deliverables to be provided at the clustered ports includes, but not limited to, the following:
- a) Ancillary and other related services – include the services needed by the port users like bunkering, chandelling and others that are not related to handling of traffic but are considered incidental or complimentary to port operations.
 - The PTMO shall provide the ancillary services required by the port users. However, the PTMO is allowed at its own discretion to sub-contract or hire or designate a third party to provide any or all such ancillary services. Provided that the PTMO shall inform PPA of the third-party service provider for each type of ancillary service. Provided further, that the third-party service provider is accredited by PPA.
 - The PTMO shall promulgate the rules and regulations to govern the operations of the third-party service providers subject to approval of PPA.
 - The provision of ancillary services is not the exclusive right of the PTMO and these ancillary services may also be provided by other service provider without the need of nomination from PTMO in accordance with existing pertinent PPA rules and regulations.
 - b) Bagging Services – includes the loading of bulk cargo from the vessel to the hopper or storage container to empty sacks/bags and weighing and sewing of sacks. It also includes the provision of bagging machine, hopper and conveyor.
 - c) Berthside Operations – mooring or berthing at a pier, wharf, bulkhead-wharf, river or channel marginal wharf at any port in the Philippines; or mooring or making fast to a vessel so berthed; or berthing or mooring within any slip, channel, basin river or canal under the jurisdiction of any port of the Philippines.
 - d) Stevedoring Service – includes the act of receiving, delivering, transferring, checking, sorting, piling, and having custody of cargo passing through the piers or wharves, its transit sheds or warehouses and open storage areas within the concession area. It also includes all work on board vessel that is the process or act of loading and unloading cargo, stowing inside hatches, securing cargo stored on board by lashing, shoring, and trimming.

- e) Passenger Terminal Management – includes operations and management of passenger terminal facilities dedicated to provide environmental friendly areas for the optimum convenience, safety and security to passengers during pre-departure to/from vessels including fastcrafts. It also includes the management of restaurants, entertainment centers, basic amenities, as well as the leasing out of office spaces, concession units, business centers and other similar area.
- f) Porterage Services – includes the carriage by manual handling and with the use of wheeled equipment like pushcarts of passenger's pieces of baggage, luggage and personal belongings to/from the passenger's point of embarkation or disembarkation to/from the entrance or exit gates of the port premises. It also includes the provision of push carts and movable covered walkway.
- g) RORO Cargo Services – includes the management of operation in the marshalling area, segregation of RORO traffic and establishment of loading sequence. It also includes the provision of appropriate supplemental shore-based ramps or facilities to enable RORO operations when there are port constraints due to force majeure, tidal conditions, and the like.
- h) Container Terminal Management – includes handling of containers discharged or loaded unto vessel and control the overall movement and storage of container.
- i) Storage Management – includes the management and operations of storage facilities, to include among others covered/open areas, or consolidation sheds, dedicated for short term storage/stacking of cargoes.
- j) Waste and Shore Reception Facility Management – includes the provision of reception facilities for the regular collection, treatment, and disposal of waste/refuse from vessels calling at each port.
- k) Weighbridge Facility – includes the provision of weighbridge facility inside the port premises, including weighbridge office and lay-by area for temporary holding or stripping of overloaded RO-RO vehicles.

4. Concession Area and Duration of Contract

- 4.1 The concession area that is the subject of the bid shall cover the existing facilities at the **Clustered Ports of Balingoan and Jasaan** particularly described and delineated in the PLUS for each port which are hereto attached as **Annexes A1, A2, A3 and A4**.

Any future development may, at the option of PPA, form part of the concession area. Any additional concession area shall entail an additional concession fee in the form of lease.

4.2 The PTMO may be allowed to sub-lease to third parties part/portions of the Port of Balingoan Port Operations Building (POB) ground floor within the concession area and may collect preferential rental fees provided that the PPA has been duly informed and approved of such undertaking.

4.3 The PTMC subject of the bid shall be for a period of *fifteen (15)* years.

5. Criteria for Award

5.1 The PTMC shall be awarded to the eligible bidder that offered the highest concession fee for the duration of the contract.

Breakdown of Minimum Concession Fee per Port	
Port	Minimum Concession Fee
Port of Balingoan	Php 227,529,597.33
Port of Jasaan	Php 7,373,810.17
Total	Php 234,903,407.50

The minimum concession fee for the fifteen (15) year PTMC for the **Clustered Ports of Balingoan and Jasaan** is set at *Two Hundred Thirty-Four Million Nine Hundred Three Thousand Four Hundred Seven Pesos and 50/100 (Php 234,903,407.50)*, exclusive of all taxes.

The minimum concession fee for Year 1 of PTMC is *Ten Million Eight Hundred Eighty-Five Thousand Nine Hundred Sixty-One Pesos and 27/100 (Php 10,885,961.27)* exclusive of all taxes.

The bidder is required to submit a separate Bid Form for each port. However, it is clarified that while financial bid per port will be submitted, the basis for the award is the highest financial bid based on the total for the clustered ports.

5.2 The proposed concession fee per year shall have a minimum escalation of 5.0% per year.

5.3 In the event that there is a tie between or among the eligible bidders, the tie shall be resolved through the drawing of lots or through some other form of lottery or game of chance as may be determined solely by the BAC.

6. Port Development/Business Plan

6.1 The PTMO must have a Port Development/Business Plan highlighting the committed strategies that will be employed in the management and operations of the **Clustered Ports of Balingoan and Jasaan** for the duration of the contract. The Plan shall include the following:

- Port Productivity Commitment (Key Performance Indicator)
- Traffic Projection and Analysis

- Capital Structure Commitment (Supported by Cash Flow Projections for the period covered by the Concession Agreement)
- Equipment Procurement and Maintenance Program
- Safety and Security Program
- Marketing Strategy, including evidence of its ability to implement and execute the marketing plan
- Manual of Systems and Procedures
- Manpower Development
- Environmental and Waste Management Plan
- Port Management and Information System (MIS) Plan

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

7. Controlled Charges (Tariff)

7.1 The controlled charges to be collected by the PTMO for the management and operation of the **Clustered Ports of Balingoan and Jasaan** shall be the rates prescribed by PPA hereto attached as **Annex “B”**.

However, the Passenger Terminal Fee provided therein, shall only be collected once a Passenger Terminal Facility, with all the attendant amenities shall have been provided.

7.2 Pursuant to PPA Administrative Order No. 05-2019, entitled “Non-Imposition of Weighing Fee for Domestic Outbound Laden Containers and RO-RO Cargo Amending PPA Administrative Order (AO) No. 06-2011”, weighing fee shall not be imposed on all Type 3 and Type 4 RORO vehicles.

7.3 The Controlled Charge shall be adjusted in accordance with the prescribed price policy and rate setting mechanism of PPA. Provided that, there shall be no adjustment of the Controlled Charges within the first three (3) years from the Operation and Maintenance (O&M) Start Date.

7.4 In the absence of an approved fee, rate, or charge, the PTMO may only be entitled to collect reasonable fees for services rendered after the review and approval of PPA.

8. Financial Obligations and Responsibilities

8.1 The PTMO shall, in addition to bearing the financial burden of undertaking the repair and maintenance of all areas and facilities within the PLUS up to the set threshold stipulated in Section 11 of this TOR, pay the PPA the concession fee stipulated in the PTMC.

8.2 The PTMO shall pay the annual concession fee in accordance with the schedule approved by the PPA. The Concession Fee is exclusive of any, and all applicable Philippine National and Local Taxes, including but not

limited to Value-Added Tax (VAT), Percentage Taxes, where applicable. The taxes due on the Concession Fee, including any subsequent increase thereof, shall be for the account of the PTMO.

8.3 Failure to pay the concession fee on time in accordance with the approved schedule, shall render the PTMO liable to the payment of interests and penalties on the due amounts at the rate prescribed by the PPA.

8.4 The PTMO shall pay all taxes and other impositions that may be levied upon its interests or activities covered by PTMC, by the government or its agencies, instrumentalities, or political subdivisions.

8.4.1 The PTMO shall be liable and responsible for paying as and when the same shall become due, all Real Property Taxes, which are payable at any time in respect of the Concession Area from the O&M Start Date until the Termination or the Transfer Date, whichever comes first.

8.4.2 The PTMO shall be liable for all national and local taxes and shall be responsible for paying the same when they fall due or at any time during the Concession Period under this Contract.

8.4.3 The PTMO shall be liable and responsible for paying documentary stamp taxes, if any, that may be imposed on the Contract or any part thereof.

8.5 The PTMO shall secure the required insurance coverage from the Government Service Insurance System (GSIS) for the government-owned facilities and structures that the PTMO 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 PTMC. All related insurance costs shall be borne and paid for by the PTMO.

8.6 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 the signing of the PTMC. The required amounts and forms of Performance Security shall be in accordance with the following schedule:

FORM OF PERFORMANCE SECURITY	AMOUNT OF PERFORMANCE SECURITY
Cash, cashier's check or manager's check	Equivalent to the total amount of concession fee of the year of which the Performance Security is Posted
Bank draft/guarantee or irrevocable letter of credit	
Surety Bond	

The Performance Security shall be denominated in Philippine Peso and posted in favor of PPA, which shall be forfeited by the PPA in any event it is established that the winning bidder is in default in any of its obligations under the Port Terminal Management Contract. In case of forfeiture by PPA of the performance security, the equivalent amount shall be replenished by the winning bidder.

- 8.7 The PTMO shall pay charges relating to electric, water, communications and other utilities used within its area of responsibility.
- 8.8 To ensure that the bidder is financially capable of entering into a contract, the following requirements must be complied with:
 - a) The paid-up capital of the prospective bidder shall not be less than thrice the minimum first year concession fee of the port subject of bidding; and
 - b) The prospective bidder shall include the manager's check equivalent to the minimum concession fee for the first year in the bid to be submitted. The manager's check, enclosed in an envelope, and a photocopy of the check shall both form part of the Technical Component.
- 8.9 The minimum working capital required to sufficiently meet its day-to-day operational needs, including any and all claims arising from its operations is in the amount of **One Million Three Hundred Seventy-One Thousand Pesos (Php 1,371,000.00)**.
- 8.10 In addition to the minimum concession fee, a variable fee shall be remitted by the PTMO under the following circumstances:
 - 8.10.1 If the actual traffic volume exceeded the projected volume by 10%, a variable fee equivalent to sixty percent (60%) from cargo handling operation and/or PTB operation shall be computed on the actual traffic in excess of the one hundred and ten percent (110%) projected volume;
 - 8.10.2 If the actual traffic volume exceeded the projected volume by 10%, a variable fee equivalent to eighty percent (80%) from RORO operations shall be computed on the actual traffic in excess of the one hundred and ten percent (110%) projected volume; and
 - 8.10.3 A variable fee equivalent to sixty (60%) of gross revenue earned from additional services which are not included in the determination of minimum concession fee.

The variable fee shall be computed annually and shall be remitted not later than January 15 of the following year.

The defined Threshold Volumes of the various types of cargoes and services for the duration of the concession period is hereto attached as **Annex “C”**.

8.11. The following are the revenue sources considered in the computation of the concession fee:

- Share in Cargo Handling Services
- Share in Revenue from Passenger Terminal Fee
- Share in Revenue from RORO Operations
- Lease of commercial spaces that will be turned over to the PTMO
- Share in Revenue from Waste Management and Shore Reception Facility
- Share in Mooring / Line Handling Fee

9. Management and Operational Requirements

9.1 The PTMO must be able to attain the committed Key Performance Indicators (KPIs) which shall be at least equal to or higher than the following minimum requirement thereof:

Port of Balingoan:

Key Performance Indicators	Productivity Rates	
1. Vessel Productivity	Average gross service time at berth per vessel	Average working time at berth per vessel
○ RORO Passenger Vessel	1.15 hours	0.20 hours
2. Average tonnes per hour (bulk, breakbulk)	Domestic	
○ Breakbulk		
- Conventional	50.0 MT/NGH	
○ RORO	70.00 MT/NGH	
3. Port user satisfaction survey results	Very Satisfactory	
4. Minimum port user and passenger service standards	Full Compliance	

Port of Jasaan:

Key Performance Indicators	Productivity Rates	
1. Vessel Productivity	Average gross service time at berth per vessel	Average working time at berth per vessel
○ RORO Passenger Vessel	1.15 hours	0.20 hours

○ Tramping	110 hours	16.50 hours
2. Average tonnes per hour (bulk, breakbulk)	Domestic	
○ Breakbulk		
- Conventional	50.00 MT/NGH	
○ RORO	70.00 MT/NGH	
3. Port user satisfaction survey results	Very Satisfactory	
4. Minimum port user and passenger service standards	Full Compliance	

Attainment of the KPIs may depend and/or consider the procurement/ provision of necessary additional cargo handling equipment by the PTMO

KPIs are subject to joint review by the Authority and PTMO, and may be adjusted every three (3) years, or as necessary, if due to substantive change in business and/or economic conditions

9.2 The PTMO 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 equipment and gears. The PTMO may assume the existing equipment and gears, subject to agreements/arrangements with the owner/outgoing operator provided that said equipment and gears shall be in good working condition and it has been depreciated/used not more than five (5) years. These shall include the minimum requirements thereof which shall be as follows:

9.2.1 Minimum Key Personnel

i. Port of Balingoan

PRINCIPAL/KEY PERSONNEL	Years of Relevant Work Experience
General Manager	2 years
Operations Manager	2 years
Health and Safety Officer/Pollution Control Officer	2 years
Supervisor	2 years
Security Officer	2 years

ii. Port of Jasaan

PRINCIPAL/KEY PERSONNEL	Years of Relevant Work Experience
General Manager	2 years
Operations Manager	2 years
Health and Safety Officer/Pollution Control Officer	2 years
Supervisor	2 years
Security Officer	2 years

The PTMO may assign or nominate one individual as the General Manager for the Clustered Ports of Balingoan and Jasaan

9.2.2 Minimum Equipment and Gears

Port of Balingoan:

EQUIPMENT/ GEARS	No. of Unit	CAPACITY	Deployment on Commencement of Contract
Forklift	1 unit	5 tons	✓
Tow truck/vehicle	1 unit		✓
Service Vehicle	1 unit	Overall Dimensions (mm): 5,265x1,950x1,990 Wheelbase (mm) : 3,210 Seating Capacity: 15 Engine Type: 4 Cylinders, In-Line Type 16-Valve DOHC Engine Displacement: 2,755 Fuel Capacity: 70 Power Transmission: 6-speed manual Tires: 215/70R16C Wheels (size):7J x 16	✓
Dunnage/Wedges	50 pcs		✓
Tarpaulins	2 pcs	20 x 20 m	✓
Cargo Platform Trolley	2 pcs	Heavy Duty Dimension: 4x2 ft Load Capacity: 0.5-1.0 Ton	✓
SAFETY EQUIPMENT AND GEARS			
Trash Bins (3pcs/set)	3 sets	100 liter volume per bin	✓
Water Pump with Hose and Nozzle	1 set	10 Hp / 33.5m hose	✓
Fire Extinguishers (20lbs)	20 pcs	20 lbs DryChem	✓
Water Drum	6 pcs	200 liter with cover	✓
Sand Drum (half-drum)	6 pcs	100 liter with cover	✓
Water Buckets	18 pcs	10 liters painted "For Fire Use Only"	✓
Fire Axe	3 pcs		✓
Shovel	6 pcs		✓
Hard Hats	25 pcs		✓
Safety Shoes	25 pairs		✓
Safety Vests	25 pcs		✓
Safety Gloves	25 pairs		✓
Dust Mask	15 pcs		✓
Umbrella (big)	100 pcs		✓
Raincoats	25 pcs		✓
Portable 2-way radio	2 pcs		✓
First Aid Kits		Contents per PPA AO No. 13-96	✓
PASSENGER TERMINAL BUILDING			

Kids' Play Area with ergonomic Play Equipment	1 area		✓
First Aid Station, Medicines		<i>Contents per PPA AO No. 13-96 or Phil Red Cross</i>	✓
Garbage Receptacles	20 units	<i>25 liters</i>	✓
Water Station for Passengers	3 unit		✓
Electronic LED Information Board	2 units		✓
Wheelchair	4 units		✓
Cellphone Charging Station	1 area	<i>10 outlets</i>	✓
Fire Extinguisher	15 units	<i>20lbs drychem</i>	✓
Emergency Lights	20 units	<i>LED wall mounted</i>	✓
Luggage Trolleys	20 units		✓
TV Monitors	6 units		✓
Public Address System	1 lot		✓
Public Wifi Network	1 lot		✓
Coaster or its Equivalent for Shuttling of Passenger (POB to RORO Berth)	2 units	Engine: 4.0L Diesel Engine, In-line 4 Cylinder 16 Valve; Power: 133 hp; Torque: 390 Nm; Engine Power: 133 hp; Transmission Type: MT Seating Capacity: 29	✓

Port of Jasaan

EQUIPMENT/ GEARS	No. of Unit	CAPACITY	Deployment on Commencement of Contract
Service Vehicle	1 unit	Overall Dimensions (mm): 5,265x1,950x1,990 Wheelbase (mm) : 3,210 Seating Capacity: 15 Engine Type: 4 Cylinders, In-Line Type 16-Valve DOHC Engine Displacement: 2,755 Fuel Capacity: 70 Power Transmission: 6-speed manual Tires: 215/70R16C Wheels (size): 7J x 16	✓
Dunnage/Wedges	50 pcs		✓
Tarpaulins	2 pcs	20 x 20 m	✓
Cargo Net	2 pcs	12 x 12 ft	✓
Cargo Hook	4 pcs	2.5 tons	✓
Cargo Slings	4pcs	2.5 tons	✓
SAFETY EQUIPMENT AND GEARS			
Trash Bins (3pcs/set)	3 sets	100 liter volume per bin	✓
Water Pump with Hose and Nozzle	1 set	10 Hp / 33.5m hose	✓
Fire Extinguishers (20lbs)	5 pcs	20 lbs DryChem	✓

Water Drum	3 pcs	200 liter with cover	✓
Sand Drum (half-drum)	3 pcs	100 liter with cover	✓
Water Buckets	10 pcs	10 liters painted "For Fire Use Only"	✓
Fire Axe	1 pc		✓
Shovel	1 pc		✓
Hard Hats	15 pcs		✓
Safety Shoes	15 pairs		✓
Safety Vests	15 pcs		✓
Safety Gloves	15 pairs		✓
Dust Mask	10 pcs		✓
Umbrella (big)	50 pcs		✓
Raincoats	10 pcs		✓
Portable 2-way radio	1 pc		✓
First Aid Kits		<i>Contents per PPA AO No. 13-96</i>	✓

- 9.3 The PTMO shall likewise provide and deploy on its own account the additional and replacement equipment and gears committed in its Port Development Plan according to its schedules and such other necessary equipment and gears as may be required by the PPA.
- 9.4 The PTMO shall be responsible for the repair and maintenance of all equipment and gears used in the operations as well as the security thereof.
- 9.5 If during the contract period, equipment is procured by the PTMO whose depreciation period is longer than the contract period, the existing PTMC shall not be deemed automatically extended to allow full depreciation.
- 9.6 All equipment of the PTMO being used at the port shall, upon expiration of the initial term of the PTMC or in the event the PTMC is pre-terminated or cancelled, automatically become the property of PPA without any obligation to reimburse for the same except for equipment acquired by the PTMO during the last five (5) years prior to the termination or expiration of the PTMC. In which case, PPA shall have the option either to purchase the same at book value at the time of transfer of possession and control or to pay to the PTMO reasonable rentals for all equipment it may utilize. In such event, PPA shall have the right to immediately take over possession and control of and utilize the serviceable cargo handling equipment, gears, machinery, and tools including office equipment, furniture's and fixtures of the PTMO as may be needed by PPA for the continuous and uninterrupted operation at the port.
- 9.7 The PTMO shall return to their original condition, normal wear and tear excluded, all the existing improvements, structures, buildings, and facilities at the port; including structures where the equipment, facilities and gears were removed from its installation.

9.8 All properties owned and belonging to PPA but made available to the PTMO shall be returned to the former in good working conditions immediately upon the termination or expiration of the PTMC.

9.9 The PTMO shall furnish PPA with the detailed reports of the movement of cargo and vessels at the premises in the form, substance and frequency prescribed in existing pertinent PPA rules and regulations. Further, the PTMO shall submit statistical data its operational, security engineering and financial activities as well as monthly report on the maintenance and development of the facilities and equipment.

10. Port Structural Capacity

The PTMO shall be responsible to validate the design parameters (design capacity) for each clustered port as provided in **Annex "D"**

11. Scope of Repairs and Maintenance

The PTMO shall cover the cost of repairs and maintenance to port facilities such as but not limited to berthing facilities, cargo yard and back-up area, within the concession area up to an amount equivalent to two (2) months concession fee, for each port, for the applicable year. The threshold indicated herein is for any single incident of repairs and maintenance and shall not be accumulated.

Any amount in excess of the threshold set herein shall be for the account of PPA.

12. Facilities Constructed or Introduced by the PTMO

12.1 Upon the expiration of the term of this PTMC or cancellation prior to its expiration, all existing improvements, structures, buildings, and facilities at the port, permanent or semi-permanent, constructed by or belonging to the PTMO shall automatically become the property of the PPA without any obligation to reimburse the cost thereof.

12.2 The PTMO shall provide, on its own account and expense, the facilities committed in the Port Development Plan or necessary for the management and operations of the port as may be required by PPA, and shall be responsible for its repair, maintenance, and security.

12.3 The facilities constructed or introduced by the PTMO in the port shall, upon termination or expiration of the PTMC, automatically become, free of charge, the property of the PPA, free from all liens and encumbrances.

13. Port Labor

13.1 The PTMO shall employ and utilize existing qualified 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.

- 13.2 The PTMO shall respect existing Collective Bargaining Agreements, (CBA), if any, pursuant to pertinent labor laws and other existing rules and regulations.
- 13.3 The PTMO shall not be allowed to sub-contract to third-party manpower service providers the stevedores and any other employees that will perform its core services.
- 13.4 The PTMO 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 PTMO in the said port.
- 13.5 The PTMO shall adopt environment-friendly measures and to consider the occupational health and safety of the workers. Additional payments may be required from the PTMO for failing to meet certain safety and environmental standards.

14. Maintenance and Upkeep of Port

- 14.1 The PTMO shall maintain the concession areas of the clustered ports in a clean, safe, usable and in proper working condition at the PTMO's expense and account.
- 14.2 The PTMO shall be responsible for the cleanliness, good housekeeping, as well as port garbage collection in accordance with the policies of the PPA in the area, offices, shed and other premises under its operational control.

15. Port Safety, Environmental Management and Security

- 15.1 PPA shall implement a Port Facility 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.

The PTMO may supplement the Port Security Plan implemented by PPA, at its own expense, provided, that all actions by the PTMO have been approved in writing by PPA.

- 15.2 The PTMO shall ensure that access to the port and its premises shall be governed by a Port Security Plan implemented by PPA. However, any person authorized by the PPA shall have, at any time upon prior and proper notification, access to the port premises.
- 15.3 PTMO to provide safety signs and environmental signs, slogans, and similar notices in strategic places in the Port in accordance with PPA



regulations and introduce safety and environmental programs within the area of coverage of the PTMC.

- 15.4 The PTMO shall ensure that pilferage or damage to cargo 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.
- 15.5 The PTMO 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).
- 15.6 PTMO shall provide sufficient appropriate Personnel Protective Gears and Equipment (PPEs) to port workers and shall require the same to be worn at all times during the conduct of port operations.
- 15.7 The PTMO shall adopt environmental programs and activities consistent with PPA Administrative Order No. 05-2018 or the Port Environmental Policy, and its subsequent amendments.
- 15.8 The PTMO shall obtain certification of the standards set under ISO-9001 (Quality Assurance Standard), ISO-14001 (Environmental Management Standard), and ISO-45001 (Occupational Safety and Health Standards) OR Integrated Management System (IMS) within years (3) years upon signing of the PTMC.

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

- 16.1 The PTMO 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.

Prepared by:


ISIDRO V. BUTASLAC, JR.
Port Manager 

Approved by:


JAY DANIEL R. SANTIAGO
General Manager



VICINITY MAP
SCALE: 1:7,000M

- BLOCK 1** 2,665.00 SQ.M.
 - PARKING AREA FOR HEAVY EQUIPMENT & DANGEROUS CARGOES = 2,665.00 SQ.M.
 - LIGHT HOUSE = 100.00 SQ.M.
- BLOCK 2** 877.50 SQ.M.
 - RORO RAMP = 290.25 SQ.M.
 - PARKING AREA FOR LIGHT VEHICLES = 587.25 SQ.M.
- BLOCK 3** 2,241.00 SQ.M.
 - VEHICLE INSPECTION AREA = 1,500.85 SQ.M.
 - GUARD HOUSE = 7.50 SQ.M.
 - ENTRANCE/EXIT GATE = 20.50 SQ.M.
 - PASSENGER TERMINAL BUILDING = 435.85 SQ.M.
 - PPA ADMIN AREA = 92.00 SQ.M.
 - PASSENGER AMENITY SHED = 184.30 SQ.M.
- BLOCK 4** 1,823.00 SQ.M.
 - RORO RAMP 1 = 185.90 SQ.M.
 - RORO RAMP 2 = 94.30 SQ.M.
 - RORO RAMP 3 = 99.00 SQ.M.
 - RORO RAMP 4 = 99.00 SQ.M.
 - RORO APPROACH = 1,344.80 SQ.M.
- BLOCK 5** 878.00 SQ.M.
 - REINFORCED CONCRETE PIER = 878.00 SQ.M.
- BLOCK 6** 13,716.00 SQ.M.
 - ON-GOING CONSTRUCTION OF PORT OPERATIONS AREA = 13,716.00 SQ.M.



DRAWING TITLE & LOCATION
 PORT LAND USE SCHEME (PLUS) FOR PORT TERMINAL MANAGEMENT REGULATORY FRAMEWORK (PTMRF)
 PORT OF BALINGOAN, MISAMIS ORIENTAL

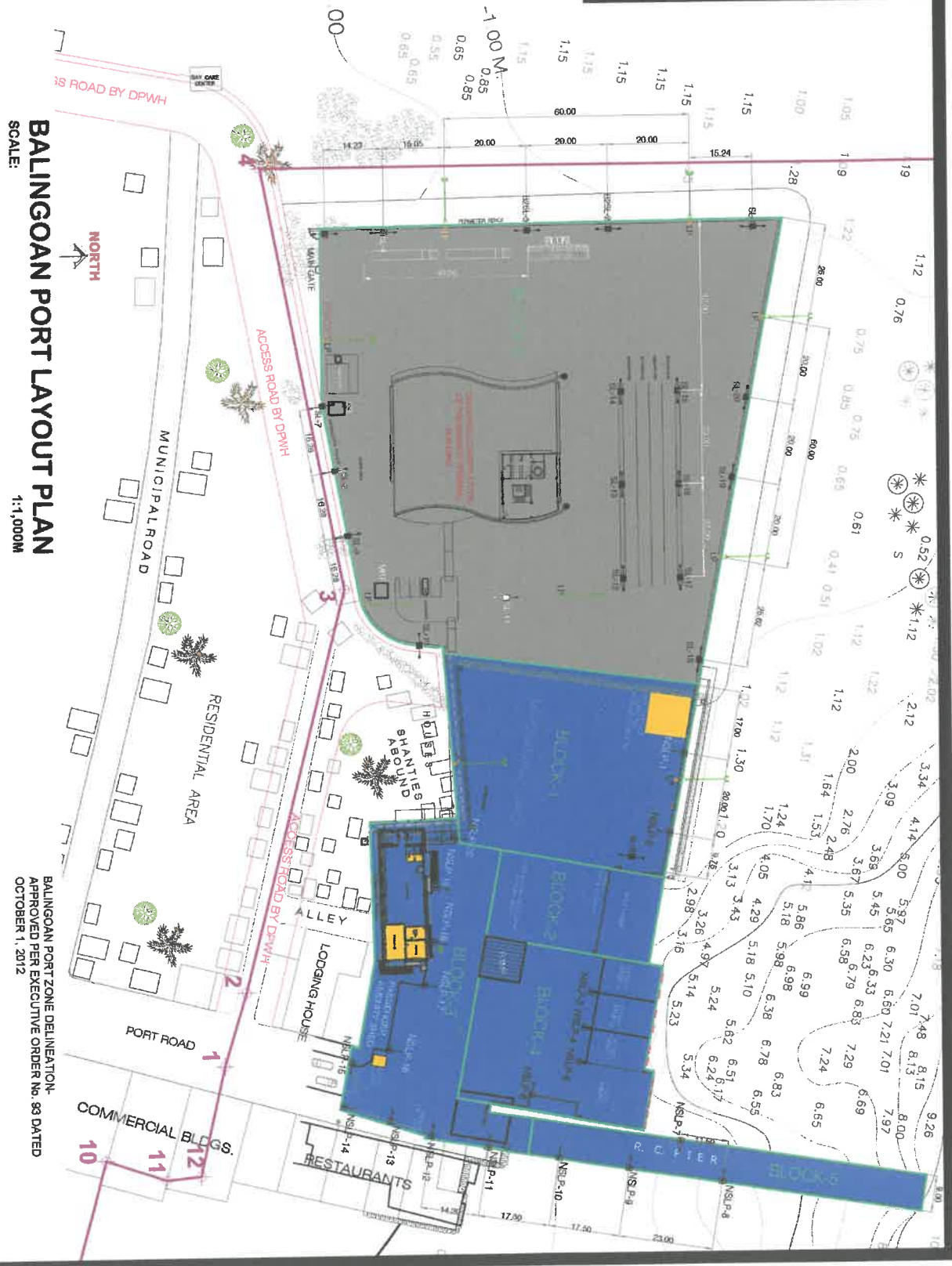
PREPARED BY:
 MARC M. AVELLANA
 Supervising Engineer

VALIDATED BY:
 ANTONIO M. TORCINO JR.
 Principal Engineer, ESD-01C

REVIEWED BY:
 RUBY MARIA O. GUARDON
 PSD Manager

RECOMMENDED BY:
 EDSEL A. OCHO
 Acting Terminal Manager

SCALE: 1:1,000M
 DATE: MARCH 27, 2014
 CAD BY: JUNSAVZ



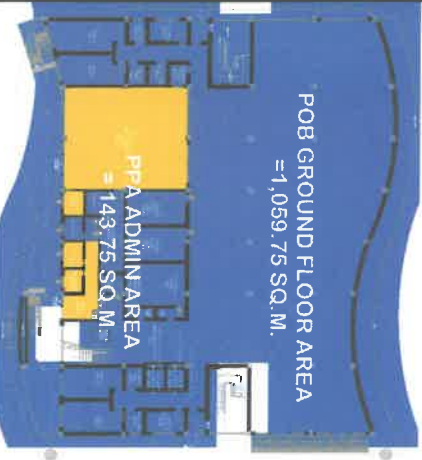
BALINGOAN PORT LAYOUT PLAN
SCALE: 1:1,000M

- LEGEND:
- TOTAL ADMINISTRATIVE AREAS/SUPPORT FACILITY = 199.50 SQ.M.
 - TOTAL CONCESSION AREA FOR PTMFC = 8,306.00 SQ.M.
 - TOTAL LAND AREA = 8,505.50 SQ.M.

BALINGOAN PORT ZONE DELINEATION
 APPROVED PER EXECUTIVE ORDER NO. 93 DATED
 OCTOBER 1, 2012

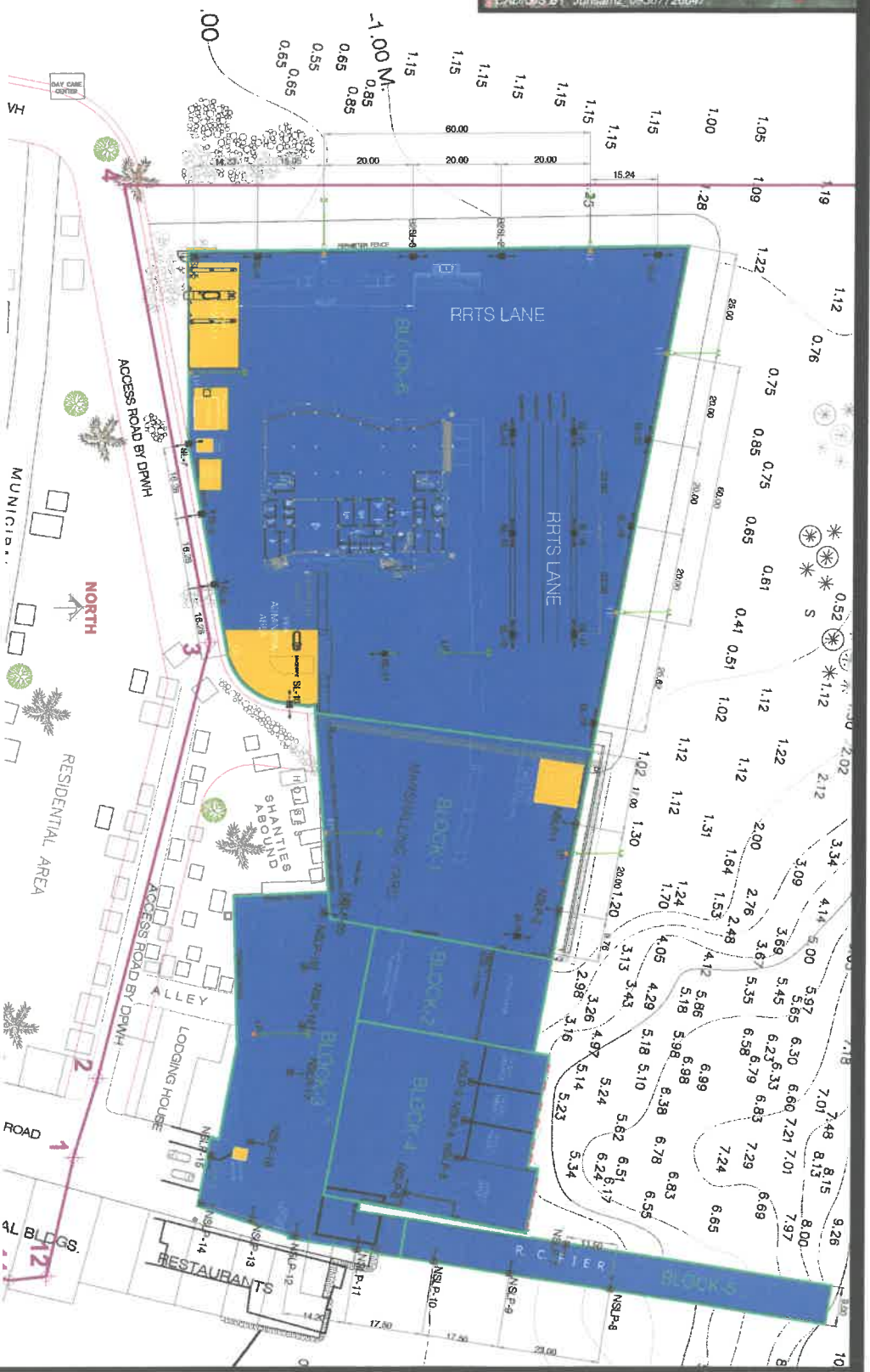


VICINITY MAP
SCALE: 1:7,000M



POB GROUND FLOOR PLAN
SCALE: 1:500M

- BLOCK 1** 2,665.00 SQ.M.
- PARKING AREA FOR HEAVY EQUIPMENT & DANGEROUS CARGOES = 2,585.00 SQ.M.
 - LIGHT HOUSE = 100.00 SQ.M.
- BLOCK 2** 877.50 SQ.M.
- RORO RAMP = 290.25 SQ.M.
 - PARKING AREA FOR LIGHT VEHICLES = 587.25 SQ.M.
- BLOCK 3** 2,241.00 SQ.M.
- VEHICLE INSPECTION AREA = 2,213.00 SQ.M.
 - GUARD HOUSE = 7.50 SQ.M.
 - ENTRANCE/EXIT GATE = 20.50 SQ.M.



BALINGOAN PORT LAYOUT PLAN
SCALE: 1:14,000M

- BLOCK 4** 1,823.00 SQ.M.
- RORO RAMP 1 = 186.90 SQ.M.
 - RORO RAMP 2 = 94.30 SQ.M.
 - RORO RAMP 3 = 99.00 SQ.M.
 - RORO RAMP 4 = 98.00 SQ.M.
 - RORO APPROACH = 1,344.80 SQ.M.
- BLOCK 5** 879.00 SQ.M.
- REINFORCED CONCRETE PIER = 879.00 SQ.M.
- BLOCK 6** 13,716.60 SQ.M.
- PORT OPERATIONS BUILDING = 1,059.75 SQ.M.
 - PORTION OF POB 1ST FLOOR = 143.75 SQ.M.
 - CISTERN TANK (PUMP HOUSE ABOVE=55.50 SQ.M.) = 114.25 SQ.M.
 - POWER HOUSE = 11.50 SQ.M.
 - SEWAGE TREATMENT PLANT TANK = 56.00 SQ.M.
 - SEWAGE TREATMENT CONTROL ROOM = 35.00 SQ.M.
 - PPA AREA = 280.00 SQ.M.
 - GATE COMPLEX = 275.00 SQ.M.
 - PAVEMENT AREA = 11,730.75 SQ.M.

LEGEND:

- TOTAL ADMINISTRATIVE AREASUPPORT FACILITY = 1,033.00 SQ.M.
- TOTAL CONCESSION AREA FOR PTMC = 21,188.50 SQ.M.
- TOTAL LAND AREA = 22,221.50 SQ.M.**

BALINGOAN PORT ZONE DELINEATION:
APPROVED PER EXECUTIVE ORDER NO. 93 DATED
OCTOBER 1, 2012

DRAWING TITLE & LOCATION:		PORT LAND USE SCHEME (PLUS) FOR PORT TERMINAL MANAGEMENT REGULATORY FRAMEWORK (PTMRF)		SHEET CONTENT:	
PORT OF BALINGOAN, MISAMIS ORIENTAL		VICINITY MAP		BALINGOAN PORT LAYOUT PLAN	
PREPARED BY:	VALIDATED BY:	RECOMMENDED BY:	DATE:	SCALE:	ANNEX A2
MARC M. ABELANA Supervising Engineer	ANTONIO M. TORCINO JR. Principal Engineer, ES-DCIC	RUBY MARIA O. GUARDON PSC Manager	ESSEL A. CALO Acting Terminal Manager	MARCH 27, 2024	
				CAD BY:	JUNSAVZ

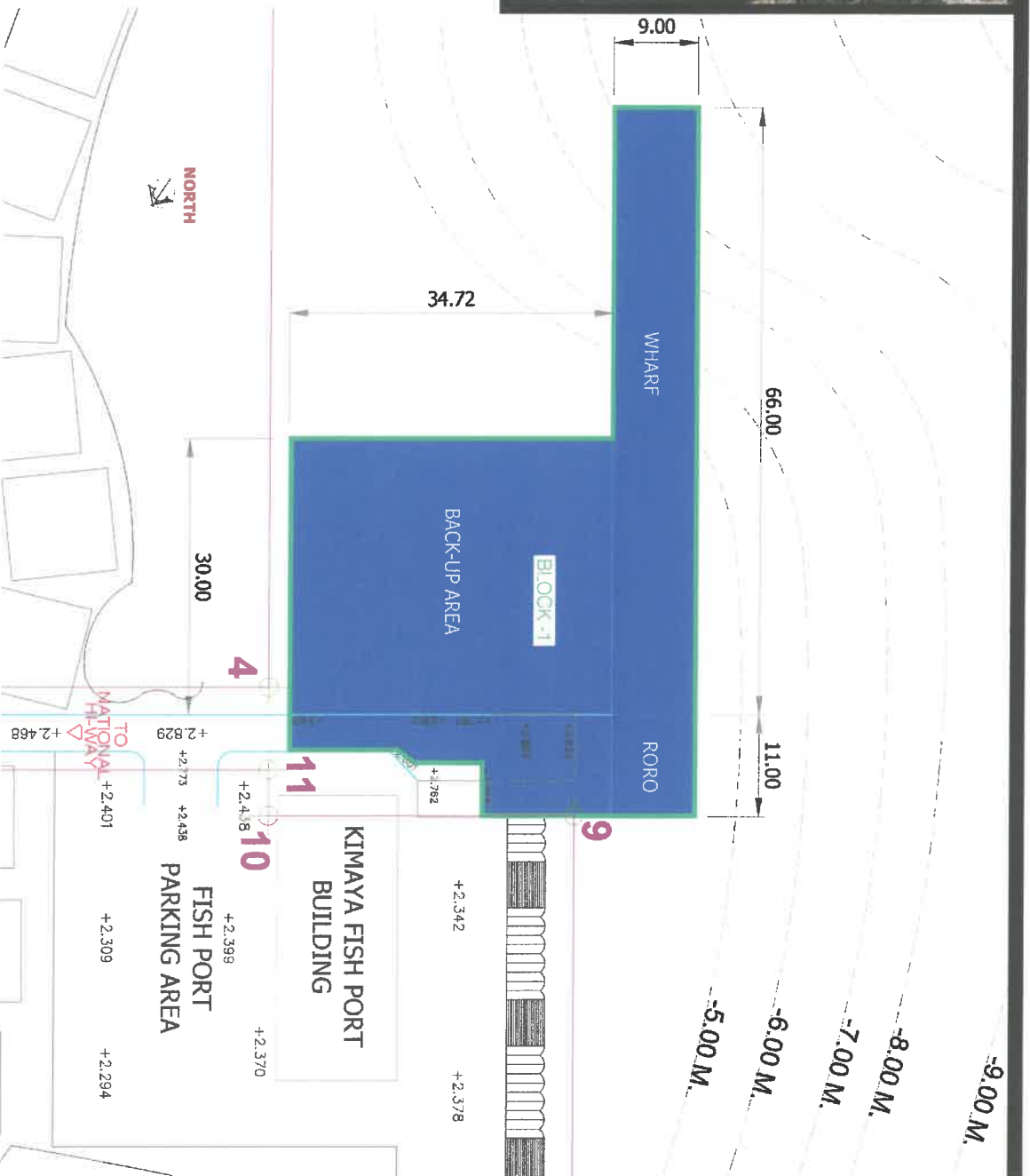


BLOCK 1: 1,979.00 SQ.M.

LOT 1: REINFORCED CONCRETE WHARF	=594.00 sq.m.
ROBO RAMP	=99.00 sq.m.
BACKUP AREA	=1,041.50 sq.m.
ENTRANCE/EXT. GATE	=6.00 sq.m.
CONCRETE PAVEMENT/ROAD	=238.50 sq.m.

LEGEND:

- TOTAL ADMINISTRATIVE AREA/SUPPORT FACILITY = 0.00 SQ.M.
- TOTAL CONCESSION AREA FOR PTMC = 1,979.00 SQ.M.
- TOTAL LAND AREA = 1,979.00 SQ.M.



STATUS OF JASASAN PORT ZONE DELINEATION: ON-GOING APPLICATION

DRAWING TITLE & LOCATION:		PORT LAND USE SCHEME (PLUS) FOR PORT TERMINAL MANAGEMENT REGULATORY FRAMEWORK (PTMR)		SHEET CONTENT:	
PORT OF JASASAN, MISAMIS ORIENTAL		VICINITY MAP		VICINITY MAP	
PREPARED BY:	VALIDATED BY:	RECOMMENDED BY:	JASASAN PORT LAYOUT PLAN		
MARGA M. AVELLANA Supervising Engineer	CLARO SAMUEL P. CONTANILLA ESD Manager	ROEL Q. MADERA Terminal Manager	ISIDRO V. BUTSALAC, JR. Port Manager		
	RUBY MARIA O. GUARAPON PSD Manager		DATE: 45 MARCH 14		
			CAD BY: MARCH 27, 2024		
			JUNSAMZ		

UNIFORM PORT TARIFFS
Tier 3 Ports under the Port Terminal Management Regulatory Framework

A CARGO HANDLING TARIFF

	Unit of Measurement	Stevedoring Fee (Php)	
		Palletized	Non-Palletized
1. Breakbulk Cargoes			
a General Cargo	Per Cubic Meter or Metric Ton whichever is higher	489 00	543 00
b Consumer Goods such as Rice, Corn, Flour, Sugar, Milk, Fresh Eggs, Dressed Chicken, Canned Fish, Edible Oil and any other consumer goods that the PPA Board of Directors may approve	Per Cubic Meter or Metric Ton whichever is higher	117 00	130 00
2 Bulk Cargoes			
a Dry Bulk	Per Cubic Meter or Metric Ton whichever is higher		256 00
b Liquid Bulk	Per Cubic Meter or Metric Ton whichever is higher		14 00
3 Containerized Cargoes		Stevedoring Fee (Php)	
		Loaded	Empty
a LO-LO	Per TEU	2,008 00	1,593 00
		Handling Fee (Php)	
		Loaded	Empty
b CHA-RO / STO-RO	Per TEU	549 00	221 00

4 Charges for Value Added Services			Regular Time	Overtime
4 1	Stand-by Charges	/gang/hr	442 00	662 00
4 2	Extra Labor Charges	/gang/hr	442 00	662 00
4 3	Shoring/ Lashing/ Unlashing/Trimming	/gang/hr	442 00	662 00
4 4	Pre/post handling	1/4 of General Cargo Rate		
			Loaded	Empty
4 5	Shifting Charges	Per TEU	1,020 00	723 00
4 6	Crannage Rates	Per TEU	1,288 00	1,083 00
4 7	Lift-on/Lift-off	Per TEU	408 00	204 00
4 8	Hustling	Per TEU	305 00	246 00
4 9	Stockpiling Charges	Cu Meter		54 00
4 10	Battery Charging	/Hour		246 00
4 11	Handling Activities at Cold Storage	Per Pallet		70 00
4 12	Sweeping	/bag		10 00
4 13	Checking Charges	/MT		125 00
4 14	Bagging	/MT		150 00
4 15	Unbagging	/MT		100 00

B RO-RO TERMINAL FEE (RRTF)

Vehicle Type	Description	RRTF Base Rates (Php)	VAT (12%) (Php)	RRTF (Php)
1	Motorcycle, Tricycle Scooter	58 04	6 96	65 00
2	Car, Minivan SUV AUV, Owner, Jeep PUJ not more than 16 pax	115 18	13 82	129 00
3	Light Delivery Truck, Van Pick-up Truck, PUJ more than 16 pax	230 36	27 64	258 00
4	Stake truck, heavy delivery truck, passenger/tourist bus, prime mover, tractor head with or without trailer/chassis, 10-wheeler	460 71	55 29	516 00

C PASSENGER TERMINAL FEE per pax Php 30 00

D PORTERAGE RATES per piece 50 00

E WASTE RECEPTION FEE

TYPE AND CLASSIFICATION OF VESSEL	Waste Reception Fee		
	Fixed Fee (covers the collection of 1 0 cu m or less of garbage)	Additional Fee	
		Excess Garbage	Only Waste and NLS
DOMESTIC			
> Passenger ferry regardless of GT that calls at base and private port for more than once a day	Php 500 00/call	Php 500 00/call	Php 6,500 00 /cu m
> Passenger/cargo vessel from 7 GT to 400 GT	Php 750 00/call	Php 750 00/ cu m	Php 6,500 00/ cu m
> Passenger/cargo vessel of 401GT - 1000 GT	Php 1 000 00 /call	Php1,000 00 / cu m	Php 6,500 00 / cu m
> Passenger/cargo vessel of 1001 GT and above	Php2,000 00 /call	Php 1,800 / cu m	Php 6 500 00 /cu m
FOREIGN			
> 1000 GT and below	Php10,000 00 /call	Php 10,000 00 / cu m	Php20,000 00 /cu m
> 1001 GT and above	Php 15 000 00 /call	Php 15,000 00 / cu m	Php20,000 00 /cu m

F LINE HANDLING FEE

Size of Vessel	Rate (Php)
Less than 25 GT	115 00
25 up to 100 GT	195 00
101 up to 500 GT	395 00
501 up to 1,000 GT	490 00
1001 up to 3,000 GT	685 00
3001 up to 5,000 GT	885 00
5001 up to 10,000 GT	1,175 00
10,001 up to 20,000 GT	1,370 00
above 20,000 GT	1,600 00

/22oct2019

Volume Threshold per Type of Cargo
Port of BALINGOAN

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Domestic	25,502	26,568	27,678	28,835	30,041	31,296	32,605	33,967	35,387	36,866	38,407	40,013	41,685	43,428	45,243
Breakbulk - General Cargo	5,653	5,890	6,136	6,392	6,659	6,938	7,228	7,530	7,845	8,173	8,514	8,870	9,241	9,627	10,029
Bulk - Liquid	19,739	20,564	21,424	22,319	23,252	24,224	25,237	26,292	27,390	28,535	29,728	30,971	32,265	33,614	35,019
Containerized- Cargo	109	115	119	124	129	135	140	146	152	158	165	172	179	187	194
RORO															
Outbound	43,550	45,370	47,267	49,242	51,301	53,445	55,679	58,006	60,431	62,957	65,589	68,330	71,186	74,162	77,262
Type 1	8,783	9,150	9,532	9,931	10,346	10,778	11,229	11,698	12,187	12,697	13,227	13,780	14,356	14,956	15,582
Type 2	22,699	23,648	24,636	25,666	26,739	27,857	29,021	30,234	31,498	32,815	34,186	35,615	37,104	38,655	40,271
Type 3	3,655	3,808	3,967	4,133	4,306	4,486	4,673	4,869	5,072	5,284	5,505	5,735	5,975	6,225	6,485
Type 4	8,413	8,764	9,131	9,512	9,910	10,324	10,756	11,205	11,674	12,161	12,670	13,199	13,751	14,326	14,925

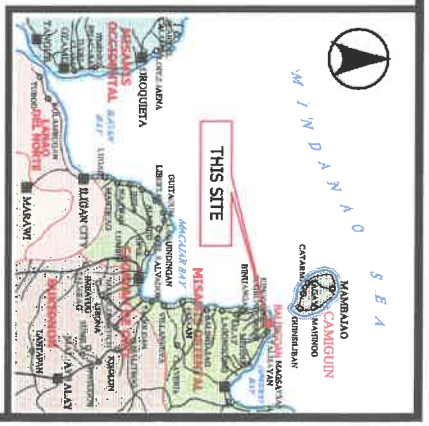
Volume Threshold per Type of Cargo
Port of Jasaan

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
TOTAL CARGO THROUGHPUT	18,476	19,248	20,052	20,891	21,764	22,674	23,621	24,609	25,637	26,709	27,825	28,988	30,200	31,463	32,778
Domestic	15,871	16,534	17,226	17,946	18,696	19,477	20,291	21,140	22,023	22,944	23,903	24,902	25,943	27,027	28,157
Breakbulk - General Cargo	35	36	38	39	41	43	44	46	48	50	52	54	57	59	62
Bulk - Dry Bulk	15,836	16,498	17,188	17,906	18,655	19,435	20,247	21,093	21,975	22,894	23,851	24,848	25,886	26,968	28,095
Containerized	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign	2,605	2,713	2,827	2,945	3,068	3,196	3,330	3,469	3,614	3,765	3,923	4,087	4,257	4,435	4,621
Breakbulk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk	2,605	2,713	2,827	2,945	3,068	3,196	3,330	3,469	3,614	3,765	3,923	4,087	4,257	4,435	4,621
Containerized	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RORO															
Outbound	42	44	46	48	49	52	54	56	58	61	63	66	69	72	75
Type 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Type 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



ANNEX D - Port of Balingoan

STRUCTURE ID	STRUCTURE TYPE	LOADINGS
RC PIER	LINE LOADS	H520 TRUCK 8 TON WHEEL
RORO RAHP	2.4 Tonn/m ²	TRANSFER CRANE
		✓
		X



VICINITY MAP
NOT TO SCALE



PHILIPPINE PORTS AUTHORITY

PORT OF BALINGOAN
BALINGOAN, MISAMIS ORIENTAL

DATE SURVEYED: DECEMBER 04-05, 2019
SCALE: 1:2,500 M.



Annex D - Port of Jasaan

STRUCTURE ID	STRUCTURE TYPE	LOADINGS			
		LIVE LOADS 2.4 Ton/m ²	HS20 TRUCK (8 TON/WHEEL)	FORKLIFT	TRANSFER CRANE
RC WHARF		✓		X	X
ROBO RAMP		✓		X	X



VICINITY MAP
NOT TO SCALE



PORT OF JASASAN

BRGY. KIMAYA, JASASAN, MISAMIS ORIENTAL
 DATE SURVEYED: FEBRUARY 20 - 22, 2015
 SCALE: 1:3,000 M.

Section IV. Bidding Forms

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LETTER OF INTENT

Date _____

The Chairperson

Bids and Awards Committee (BAC)
For the Selection and Award of
Port Terminal Management Contract
Philippine Ports Authority
PPA Corporate Bldg., Bonifacio,
Drive, South Harbor, Port Area, Manila

Dear Sir:

In response to the "Invitation to Bid" for the Port Terminal Management, Port of _____, (address) _____, which appeared in the (name of newspaper and PPA website) _____ on (date of advertisement/posting) _____, we would like to express our intention to participate in the said bidding.

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

Very truly yours,

(Name of Firm)

By:

(Name and signature of duly authorized representative)

Received by the BAC _____

Date: _____

Omnibus Sworn Statement

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF _____) S.S.

AFFIDAVIT

- I. **(Name of authorized representative of Bidder)**, of legal age, **(Civil Status)**, **(Nationality)**, and residing at **(Address of Affiant)**, after having been duly sworn in accordance with law, do hereby depose and state that:

1. *Select one, delete the other:*

*If a sole proprietorship: I am the sole proprietor of **(Name of Bidder)** with office address at **(address of Bidder)**;*

*If a partnership, corporation, cooperative, or joint venture: I am the duly authorized and designated representative of **(Name of Bidder)** with office address at **(address of Bidder)** (each of the partners of the joint venture must submit separately);*

2. *Select one, delete the other:*

*If a sole proprietorship: As the owner and sole proprietor of **(Name of Bidder)**, I have full power and authority to do, execute and perform any and all acts necessary to represent it in the bidding for the **(Name of the Contract to be Bid)**;*

*If a partnership, corporation, cooperative, or joint venture: I am granted full power and authority to do, execute and perform any and all acts necessary and/or to represent the **(Name of Bidder)** in the bidding as shown in the attached [state title of attached document showing proof of authorization (e.g., duly notarized Secretary's Certificate issued by the corporation or the members of the joint venture)];*

3. That the **(Name of Bidder)**, including its nominated entity, intends to participate in the bidding of the Contract for the **(Name of the Contract to be Bid)**, and is not blacklisted, or barred from bidding by the government, or any of its agencies, offices, or corporations and has no terminated/cancelled contracts with PPA for cause due to the Bidder's fault;

4. That the **(Name of Bidder)**, its principal shareholders, owners, and/or management, including its nominated key personnel must

not have any derogatory record with the Authority or any Government Agency;

5. That each of the documents submitted in satisfaction of the bidding requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;
6. That the **(Name of Bidder)** shall abide with the existing laws, rules and regulations, such as those issued by the Authority and the Department of Labor and Employment (DOLE), in connection with the implementation of the contract for the **(Name of the Contract to be Bid)**;
7. That the **(Name of Bidder)** has no outstanding accounts with the Philippine Ports Authority;
8. That the **(Name of Bidder)** 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 **(Name of the Contract to be Bid)**;
9. **(Name of Bidder)** is authorizing the Authority or its duly authorized representative(s) to verify the statements, documents and information submitted herewith to substantiate our bid;

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

	NAME	TEL. NO.	FAX NO.
a. Technical Matters	_____	_____	_____
b. Financial Matters	_____	_____	_____
c. Personnel Matters	_____	_____	_____

10. That the **(Name of Bidder)** has no record of abusing its dominant position as found by the competent authority, abandonment of contract or refusing acceptance of award or to enter into a contract with the Authority without any justifiable cause;
11. That the **(Name of Bidder)** has no outstanding dispute as defined in PPA Administrative Order No. 12-2018, against the Authority, or its Board of Directors, BAC, Secretariat, Technical Working Group, officials and/or employees arising or in connection with the official performance of their functions whether administrative or civil, before any Court, tribunal or administrative body;

12. That the **(Name of Bidder)** waives any right it may have to seek and obtain a writ of injunction or prohibition or restraining order against the Authority, its approving authority, or BAC, Secretariat, Technical Working Group to prevent or restrain the bidding process or proceedings related thereto, and the carrying out of the awarded contract. Such waiver shall not prejudice the right of **(Name of Bidder)** to question the lawfulness of its disqualification or the rejection of its bid by appropriate administrative or judicial processes not involving the issuance of a writ of injunction or restraining order;

13. That the **(Name of Bidder)** is aware of and has undertaken the following responsibilities as a Bidder:

- a) Carefully examined all of the Bid Documents;
- b) Acknowledge all conditions, local or otherwise, affecting the implementation of the contract;
- c) Inquire or secure Supplemental / Bid Bulletin(s) issued for the **(Name of the Contract to be Bid)**.

14. That the **(Name of Bidder)** shall conduct site inspection in the Port of _____;

15. That the **(Name of Bidder)** did not give or pay directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of the government in relation to any procurement project or activity.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of ___, 20__ at _____, Philippines.

(Prospective Bidder's Representative/Authorized Signatory)

**STATEMENT OF COMPLETED, ON-GOING, AND AWARDED BUT NOT YET STARTED PORT TERMINAL
MANAGEMENT/CARGO HANDLING CONTRACTS WITHIN THE LAST FIVE (5) YEARS**

Title of the Contract and Name of Party Contracted With	Location of Port	Type of Services	Contract Term (no. of years)	Effective Date of the Contract	Expiry Dates of the Contract	Average Revenue OR Concession Fee
COMPLETED [for the last five (5) years]						
1.						
2.						
3.						
ON-GOING CONTRACT						
1.						
2.						
3.						
AWARDED BUT NOT YET STARTED						
1.						

2.								
3.								

Please use additional sheet if necessary.

Note:

This statement shall be supported with:

- a. Copy of Notice of Award
- b. Copy of Contract

By: _____
(Name of Firm)

(Name and Signature of Authorized Signing Official)
Date: _____

STATEMENT OF PARTICIPATION IN ALL ONGOING SELECTION AND AWARD OF PORT TERMINAL MANAGEMENT CONTRACTS BUT WHICH HAVE NOT YET BEEN AWARDED

Title of the Contract and Name of Party Contracted With	Location of Port	Type of Services	Contract Term (no. of years)	Effective Date of the Contract	Expiry Dates of the Contract	Average Revenue OR Concession Fee
1.						
2.						
3.						
4.						
5.						

Please use additional sheet if necessary.

By: _____
 (Name of Firm)

 (Name and Signature of Authorized Signing Official)
 Date: _____

BID FORM-05

STATEMENT OF COMPLETED, ONGOING AND AWARDED BUT NOT YET STARTED INFRASTRUCTURE CONTRACTS

Title of the Contract/Project	Project Owner	Location	Type of Infrastructure Project	Effective Date of the Contract	Expiry Date of the Contract	Contract Amount
COMPLETED						
1.						
2.						
3.						
ON-GOING						
1.						
2.						
3.						
AWARDED BUT NOT YET STARTED						
1.						
2.						
ON-GOING PROCUREMENT FOR						

INFRASTRUCTURE PROJECTS BUT NOT YET AWARDED						
1.						
2.						
3.						

If there is a nominated entity:

Title of the Contract/Project	Project Owner	Location	Type of Infrastructure Project	Effective Date of the Contract	Expiry Dates of the Contract	Contract Amount
COMPLETED						
1.						
2.						
3.						

Please use additional sheet if necessary.

Note:

This statement shall be supported with:

- a. Copy of Notice of Award
- b. Copy of Contract

By: _____
(Name of Firm)

(Name and Signature of Authorized Signing Official)

Date: _____

TECHNICAL BID SUBMISSION FORM

(Name of Company)

(Address)

Date: _____

The Chairperson
Bids and Awards Committee
For the Selection and Award of
Port Terminal Management Contract
Philippine Ports Authority
PPA Corporate Bldg., Bonifacio,
Drive, South Harbor, Port Area, Manila

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 and Pro-forma Port Terminal Management Contract at the Port of _____, hereby submits the following technical proposal documents/information:

- a. Bid Security
- b. Proposed Organizational Chart for the Port Terminal Management Contract to be bid
- c. List of Key Personnel for deployment at the start of terminal management operations with their complete qualifications and experience data as required in the ITB
- d. Port Development Plan
- e. Bidder's Intended Working Capital for the Port Terminal Management 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 development, management, operation and maintenance 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 terminal management 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 terminal management shall be filed exclusively in a proper court in the City of Manila. 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 _____ 20____, affiant exhibiting to me his government issued ID No. _____, issued on _____, at _____, Philippines.

NOTARY PUBLIC

Doc. No. _____;

Page No. _____;

Book No. _____;

Series of _____.

COMPANY AND KEY PERSONNEL EXPERIENCE

I. Principal/Key Personnel for terminal management operations

<u>Name</u>	<u>Nationality</u>	<u>Position</u>	<u>Years of Experience</u>
General Manager			
Operations Manager			
Safety Officer			
Supervisor			

(Fill-out attached form)

Person Managing the Company:

Name: _____

Designation: _____

Tel/Cellphone No.: _____

(Name and Signature of Authorized Signing Official)

Date: _____

Note: Please use additional separate sheet if necessary.

FINANCIAL BID SUBMISSION FORM

(Name of Company)

(Address)

Date: _____

The Chairperson

Bids and Awards Committee (BAC)
For the Selection and Award of
Port Terminal Management Contract
Philippine Ports Authority
PPA Corporate Bldg., Bonifacio,
Drive, South Harbor, Port Area, Manila

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 and Pro-forma Terminal Management Contract at the Port of _____, hereby submits the (proposed Concession Fee).

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 terminal management 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 Port Terminal Management 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 terminal management shall be filed exclusively in a proper court of the City of Manila.

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 _____ 20__ in _____, Philippines, affiant exhibiting to me his (any gov't ID) No. _____ issued on _____ at _____.

NOTARY PUBLIC

Doc. No. _____;

Page No. _____;

Book No. _____;

Series of _____.

PROPOSED CONCESSION FEE FOR THE PORT TERMINAL MANAGEMENT OF THE PORT OF BALINGOAN FOR THE DURATION OF THE CONTRACT

PROPOSED CONCESSION FEE		
Schedule of Payment	AMOUNT IN FIGURES	AMOUNT IN WORDS
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6		
Year 7		
Year 8		
Year 9		
Year 10		
Year 11		
Year 12		
Year 13		
Year 14		
Year 15		
TOTAL AMOUNT	Php	

Submitted by:

 (Name and Signature of Authorized Signing Official)

Date: _____

NOTE:

1. The proposed concession fee shall be exclusive of all taxes.
2. All pages of the proposal should be signed by the bidder.
3. Erasures or corrections in the proposal should be initialed by the bidder's authorized signatory.

**PROPOSED CONCESSION FEE FOR THE PORT TERMINAL MANAGEMENT OF
THE PORT OF JASAAN FOR THE DURATION OF THE CONTRACT**

PROPOSED CONCESSION FEE		
Schedule of Payment	AMOUNT IN FIGURES	AMOUNT IN WORDS
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6		
Year 7		
Year 8		
Year 9		
Year 10		
Year 11		
Year 12		
Year 13		
Year 14		
Year 15		
TOTAL AMOUNT	Php	

Submitted by: _____

(Name and Signature of Authorized Signing Official)

Date: _____

NOTE:

1. The proposed concession fee shall be exclusive of all taxes.
2. All pages of the proposal should be signed by the bidder.
3. Erasures or corrections in the proposal should be initialed by the bidder's authorized signatory.

Section V. Checklist of Requirements

**PORT TERMINAL MANAGEMENT REGULATORY FRAMEWORK:
PPA ADMINISTRATIVE ORDER NO. 12-2018, AS AMENDED**

TECHNICAL COMPONENT/FIRST ENVELOPE:
I. ELIGIBILITY DOCUMENTS
A. LEGAL
1. Letter of Intent
2. Business Profile
3. Valid Certificate of Accreditation issued by PPA
4. Joint Venture Agreement, if applicable
5. Audited Financial Statements stamped "Received" by BIR for the preceding calendar year; or For new establishments, the balance sheet and income statement, stamped "Received" by BIR for the most recent quarter.
6. Income Tax Return, stamped "Received" by BIR or with proof of electronic filing, for the immediately preceding year; or For new establishments, the most recent quarterly Income Tax Return stamped "Received" by the BIR or with proof of electronic filing thereof.
7. Value Added Tax or Percentage Tax Return, stamped "Received" by the BIR or with proof of electronic filing thereof, for the immediately preceding six (6) months; or For those with less than six (6) months of operations, the monthly business tax returns stamped "Received" by the BIR or with proof of electronic filing thereof.
8. Philippine Contractors Accreditation Board License, if applicable, of the bidder, partner (in case of Joint Venture), or the nominated party who will undertake the development commitment under the Port Development Plan.
9. Omnibus Sworn Statement
B. TECHNICAL
1. Statement of the Bidder's Completed, Ongoing, and Awarded but not yet started port terminal management/cargo handling contracts within the last five (5) years.
2. Statement of the Bidder's Participation in all Ongoing Selection and Award of Port Terminal Management Contracts but which have not yet been awarded.
3. Statement of the Bidder's Completed, Ongoing, and Awarded but not yet started Infrastructure Contracts. The Bidder, Partner (in case of Joint Venture), or the Nominated Party must have experience of having a Completed Contract that is similar to the development commitment under the Port Development Plan
4. At least two (2) years' experience in providing port terminal management services/cargo handling services or other related port services, as indicated in completed and ongoing contracts.
C. FINANCIAL CAPABILITY
1. The Paid-Up Capital shall not be less than thrice the minimum first year Concession Fee of the port subject of the bidding.

2. Cash Deposit in favor of PPA, equal to the minimum Concession Fee of the port subject of the bidding for the first year of the Port Terminal Management Contract.
II. TECHNICAL BID SUBMISSION FORM
III. BID SECURITY
A. If in the form of Cash, Cashier's Check, Manager's Check, Bank Draft/Guarantee or Irrevocable Letter of Credit, not less than two percent (2%) of the minimum Concession Fee; or
B. If in the form of Surety Bond callable upon demand issued by the GSIS or PPA accredited Insurance company, not less than five percent (5%) of the minimum Concession Fee
IV. PROPOSED ORGANIZATIONAL CHART for the Port Terminal Management Contract to be Bid
V. NAMES OF KEY PERSONNEL with complete qualification and experience data
VI. PORT DEVELOPMENT PLAN, which shall include the following:
a. Infrastructure Investment and Maintenance Program
b. Port Productivity Commitments
c. Traffic Projection and Analysis
d. Capital Structure Commitment (supported by Cash Flow Projections for the period covered by the Concession Agreement)
e. Equipment Procurement and Maintenance Program
f. Safety and Security Program
g. Marketing Strategy, including evidence of its ability to implement and execute the marketing plan
h. Manual of Systems and Procedures
i. Manpower Development
j. Environmental and Waste Management Plan; and
k. Port Management and Information System (MIS) Plan
VII. Bidder's Intended Working Capital for Port Terminal Operations, which shall not be lower than that prescribed by PPA
FINANCIAL COMPONENT (SECOND ENVELOPE)
I. FINANCIAL BID SUBMISSION FORM
II. PROPOSED CONCESSION FEE

Section VI. Pro-forma Contract

**PORT TERMINAL MANAGEMENT CONTRACT
CLUSTERED PORTS OF [_____]**

KNOW ALL MEN BY THESE PRESENTS:

This **Port Terminal Management Contract** entered into this _____ day of _____, in _____, by and between:

PHILIPPINE PORTS AUTHORITY, a government instrumentality with corporate powers created under Presidential Decree No. 857, as amended, with principal office address at PPA Corporate Building, Bonifacio Drive, South Harbor, Port Area, Manila, represented by its General Manager, **JAY DANIEL R. SANTIAGO**, and hereinafter referred to as the "**AUTHORITY**";

– and –

[BUSINESS NAME], a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at [_____], represented herein by its *[Position/Title]* *[name]*, and hereinafter referred to as the "**OPERATOR**".

WITNESSETH

WHEREAS, the AUTHORITY, pursuant to Presidential Decree No. 857, as amended, is vested with the power and authority (1) to supervise, control, regulate, construct, maintain, operate, and provide such facilities or services as are necessary in the ports vested in, or belonging to the AUTHORITY, and (2) to prescribe rules and regulation, procedures, and guidelines governing the establishment, construction, maintenance, and operations of all other ports, including private ports in the country;

WHEREAS, the PPA Board of Directors approved PPA Administrative Order (AO) Nos. 03-2016, as amended, and PPA AO No. 12-2018, as amended; In order to encourage greater participation of private sector in port operations to ensure that the provision of port services will be of generally accepted global standards, the selection and award of Port Terminal Management Contracts shall be competitive and transparent and shall undergo competitive public bidding.

WHEREAS, the AUTHORITY issued an Invitation to Bid for the selection and award of contract for the *[Port of _____]*;

WHEREAS, after evaluation and post-qualification of the Technical and Financial Bids, the *[insert name of Winning Bidder]* was declared as the Highest Responsive Bidder (HRB).

WHEREAS, pursuant to BAC Resolution No. _____ dated _____, duly approved by the PPA General Manager as the Head of the Procuring Entity, the Notice of Award ("NOA") for the Contract for the management and operation of cargo handling, passenger terminal building, RORO and other related services was issued to the Operator in a letter dated [] duly accepted and conformed to by the latter;

NOW THEREFORE, for and in consideration of these premises and the mutual commitments, obligations and undertakings hereunder, the Parties have agreed as follows:

ARTICLE I

Section 1.01 – **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:

- a. Bidding Documents
 - i. Invitation to Bid;
 - ii. Instructions to Bidders;
 - iii. Terms of Reference and its attachments
 - iv. Supplemental/Bid Bulletin, if any
- b. Technical and Financial Proposals and all other documents or statements submitted;
- c. Performance Security;
- d. Notice of Award; and
- e. In case of Joint Venture, Certificate of Registration with the Securities and Exchange Commission issued within one (1) year from the date of the contract.

Section 1.02 – **Words and Meanings** - The words and expressions in this contract shall have the same meanings respectively assigned to them in the contract documents referred to above.

Section 1.03 – **Controlling Document** - In case of irreconcilable conflict between the provisions of this contract and the provisions of any of the contract documents, the former shall prevail.

ARTICLE II

AREA OF MANAGEMENT, OPERATION AND MAINTENANCE

Section 2.01 – **Area of Management, Operation and Maintenance** - This contract shall cover the land and existing facilities at the Port of _____ particularly described and delineated in Annex “__” hereof and delivered to the Operator.

Any future development may, at the option of PPA, form part of the concession area. Any additional concession area shall entail additional concession fee in the form of lease.

ARTICLE III

CONSIDERATION

Section 3.01 – **Fixed and Variable Fees** - The Contractor shall, during the effectivity of this Contract, remit to the AUTHORITY the following Fixed and Variable Fees:

(a) **Annual Fixed Fee** which shall be as follows:

Year of Contract	Yearly Fixed Fees
1	Php
2	Php
3	Php
4	Php
5	Php
6	Php
7	Php
8	Php
9	Php
10	Php
11	Php
12	Php
13	Php
14	Php
15	Php
TOTAL	Php

The Concession Fee is exclusive of any, and all applicable Philippine National and Local Taxes, including but not limited to Value-Added Tax (VAT) and Percentage Taxes, where applicable. The taxes due on the Concession Fee, including any subsequent increase thereof, shall be for the account of the OPERATOR.

The Annual Fixed Fee shall be divided into twelve (12) equal monthly payments. The corresponding amount for the first (1st) month shall be paid within five (5) days from the signing of the Contract. The payment for the succeeding months

shall be made within five (5) days after the 30th day of the previous month's payment.

The monthly payment for the succeeding years shall commence on the Contract's anniversary date.

(b) **Annual Variable Fee** - The OPERATOR shall remit to the Authority a variable fee under the following circumstances:

- i. If the actual traffic volume exceeded the projected volume by 10%, a variable fee equivalent to sixty percent (60%) from cargo handling operation and/or PTB operation shall be computed on the actual traffic in excess of the one hundred and ten percent (110%) projected volume;
- ii. If the actual traffic volume exceeded the projected volume by 10%, a variable fee equivalent to eighty percent (80%) from RORO operations shall be computed on the actual traffic in excess of the one hundred and ten percent (110%) projected volume; and
- iii. A variable fee equivalent to sixty (60%) of gross revenue earned from additional services which are not included in the determination of minimum concession fee.

The OPERATOR shall remit to the AUTHORITY the Variable Fee quarterly, not later than the fifth (5th) day of the first (1st) month of the succeeding quarter without need of demand.

The defined Threshold Volumes of the various types of cargoes and services for the duration of the concession period is hereto attached as **Annex “___”**.

Section 3.02 – **Payment Mechanics** - All payments to be made by the OPERATOR under this Contract shall be made (1) in Philippine Pesos (PhP), and (2) by direct transfer to the account designated by the AUTHORITY.

Section 3.03 – **Interest and Penalties** - Failure to remit the Fixed Fee and other fees on their respective due dates shall render the OPERATOR liable to the payment of interest and penalty charges without the need for any demand, in accordance with the existing regulations and subsequent amendments thereof. Interest payment by the OPERATOR shall be without prejudice to the other remedies available to the OPERATOR under this contract.

ARTICLE IV

MANAGEMENT AND OPERATION

Section 4.01 – **Management and Operation** - The OPERATOR shall manage and operate the concession area and the facilities, structures, buildings existing thereon. Upon Notice of Award, the parties shall undertake and complete a joint survey and inspection of the facilities, structures and buildings to record the state and condition of the premises and the improvements existing thereon. In addition, the parties shall organize a Joint Committee that will formulate plans and procedures to

ensure the smooth handover of the management and operations of the concession area at the Port of _____.

The parties agree that the Authority shall retain possession, use and administrative control of the facilities and buildings not included in the concession area.

Section 4.02 – **Core and Non-Core Services** - The Operator shall provide and undertake the following core and non-core services at the Port of _____ which shall include but not limited to the following:

(a) Core Services:

- (1) Container terminal management
- (2) Passenger terminal management
- (3) Cargo handling and related services
- (4) Anchorage operations
- (5) Storage management
- (6) RORO cargo services

(b) Non-Core Services:

- (1) Weighbridge services
- (2) Porterage services
- (3) Bagging services
- (4) Parking
- (5) Water distribution services
- (6) Provision of Shore Reception Facilities

Section 4.03 – **Other Business and Third-Party Services** - The OPERATOR shall carry out all the core services stated in Section 4.02 (a). Except for the core services, the OPERATOR may, subject to approval of the AUTHORITY, sub-contract or designate a qualified third party to provide non-core and other related services

For the avoidance of doubt, it is clarified that the provision of the following ancillary services: (1) chandling; (2) tugboat; (3) pilotage; (4) bunkering; (5) transport services; (6) water supply, including those services that may be hereinafter determined by the AUTHORITY in the Port Operational Area ("**Ancillary Services**"), is not the exclusive right of the OPERATOR, and these Ancillary Services may also be provided by any other service provider ("**Ancillary Service Providers**"). Further, the OPERATOR shall provide the Ancillary Service Providers uninterrupted access to the Port, to provide the Ancillary Services subject to such Ancillary Service Providers obtaining permits from the AUTHORITY to operate at the Port, and subject also to compliance by the Ancillary Service Providers with the OPERATOR's and AUTHORITY's health, safety and environmental rules, policies and procedures and general disclosed operational procedures and requirements.

Section 4.04 – **Facilities, Cargo Handling Equipment and Gears** - The OPERATOR shall utilize the cargo handling equipment and facilities installed by the AUTHORITY in the concession area as listed in **Annex ____** hereof.

The OPERATOR shall on its own account provide and deploy upon commencement of operation its committed equipment and gears in accordance with the Port Development Plan which forms part of its Technical Proposal (**Annex ____**).

The OPERATOR shall likewise provide and deploy on its own account the additional and replacement equipment and gears committed in its Port Development Plan according to its schedules (**Annex ____**) and such other necessary equipment and gears as may be required by the PPA.

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

If during the contract period, equipment is procured by the OPERATOR whose depreciation period is longer than the contract period, the existing Contract shall not be deemed automatically extended to allow full depreciation.

All equipment of the OPERATOR being used at the port shall, upon expiration of the initial term of the Contract or in the event the Contract is pre-terminated or cancelled, automatically become the property of the AUTHORITY without any obligation to reimburse for the same except for equipment acquired by the OPERATOR during the last five (5) years prior to the termination or expiration of the Contract. In which case, AUTHORITY shall have the option either to purchase the same at book value at the time of transfer of possession and control or to pay to the OPERATOR reasonable rentals for all equipment it may utilize. In such event, the AUTHORITY shall have the right to immediately take over possession and control of and utilize the serviceable cargo handling equipment, gears, machinery and tools including office equipment, furnitures and fixtures of the OPERATOR as may be needed by the AUTHORITY for the continuous and uninterrupted operation at the port.

The OPERATOR shall return to their original condition, normal wear and tear excluded, all the existing improvements, structures, buildings and facilities at the port; including structures where the equipment, facilities and gears were removed from their installation.

All properties owned and belonging to the AUTHORITY but made available to the OPERATOR shall be returned to the former in good working conditions immediately upon the termination or expiration of the Contract.

Section 4.05 – **Working Capital** - The OPERATOR shall establish and maintain a deposit in a reputable Universal or Commercial bank the amount of - _____ (PhP _____) as Working Capital to sufficiently meet its day-to-day operational needs, including any and all claims arising from its operations.

Section 4.06 – **Key Performance Indicators (KPIs)** - The OPERATOR shall efficiently operate the port and provide the services covered under this Contract. The OPERATOR must be able to attain KPIs equal to, or better than the following KPIs which may be progressively increased during the duration of this Contract:

Key Performance Indicators	Productivity Rates	
1. Average gross service time per vessel at berth		
A. RORO		

B. Tramping		Rates must be indicative of service time and not vessel stay time
2. Average moves per ship hour at berth		
Containerized Cargoes		
3. Average tons per hour		
A. Bulk (Dry)		PTMO have to provide additional equipment/gears (clams or grabs) for handling conventional cargoes.
B. Breakbulk		
4. Average yard dwell time		
5. Average Truck Turnaround Time		
6. Port user satisfaction survey results		
7. Minimum port user and passenger service standards		<i>(Please see PTB Policy for the Daily Housekeeping Monitoring Report.)</i>

Every three (3) years or whenever necessary, the KPIs may be subject to revisions after the conduct of review by the Parties.

If the OPERATOR fails to maintain productivity equal to or better than pre-specified productivity measures in any given period, the OPERATOR may be required to provide additional variable fee payments. Failure to meet productivity measures for 3 consecutive years may result in the termination of the Contract.

Section 4.07 – **Repair and Maintenance** - The OPERATOR shall cover the cost of repairs and maintenance to port facilities within the concession area up to an amount equivalent to two (2) months concession fee for the applicable year. The threshold indicated herein is for any single incident of repairs and maintenance and shall not be accumulated. Any amount in excess of the threshold set herein shall be for the account of PPA.

Section 4.08 – **Dredging** - The AUTHORITY shall be responsible for, and shall bear the cost of the capital dredging (i.e., fairways, access channels, turning basin). The AUTHORITY shall perform the capital dredging, as may be necessary.

Section 4.09 – **Management Information System** - The OPERATOR shall undertake and implement computerization programs for the 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.

Section 4.10 – **Submission of Reports** - The OPERATOR shall furnish the AUTHORITY with detailed reports of the movement of cargo and vessels at the premises in the form, substance and frequency prescribed in existing PPA rules and regulations. Further, the OPERATOR shall submit the financial and operational reports prescribed by the AUTHORITY.

The OPERATOR shall furnish the AUTHORITY with monthly statistical data of its financial and operational activities and the maintenance and development of the facilities and equipment.

Section 4.11 – **Insurance** - The OPERATOR shall secure an insurance to cover the property damage on all the concession area facilities and equipment against all risks, including but not limited to windstorm, flood, earthquake, fire and vessel impact. In addition, all facilities and equipment covered by this Contract shall be insured up to their full appraised value against losses and damages under the terms approved by the AUTHORITY. The OPERATOR shall regularly furnish the AUTHORITY copies of the insurance policies and receipts of current premium payments. The required insurance coverage for property damage shall be secured from the Government Service Insurance System (GSIS).

The insurance policies shall be effective from the date of effectivity of this Contract and shall be renewed annually for the entire duration of this Contract. All insurance premiums and other related costs shall be borne solely by the OPERATOR.

The OPERATOR shall not perform nor allow any act to be done that may render the insurance policies null and void.

The OPERATOR shall also insure all cargoes under its custody against fire as well as against loss or damage resulting from acts of its employees, agents or sub-contractors.

The OPERATOR shall secure a Comprehensive General Liability (CGL) Insurance to cover Bodily Injury, Property Damage including all port operational facilities, and Personal Injury Liability. In addition, all equipment and leased facilities shall be insured up to their full appraised value against losses and damages under the terms approved by the AUTHORITY. The OPERATOR shall regularly furnish the AUTHORITY copies of the insurance policies and receipts of current premium payments.

Section 4.12 – **Taxes, Licenses, Permits and Fees** - The OPERATOR's tax, licenses, fees and charges of whatever form, kind or nature due or which may be due to the national and/or local government units and/or its instrumentalities/agencies on the account of the performance of the service and/or its activities stipulated herein, shall be paid for and obtained by the OPERATOR on its own account. The AUTHORITY shall extend reasonable assistance to the OPERATOR in securing the necessary licenses and permits with the relevant government agencies, as may be necessary. The OPERATOR shall on an annual basis, present, within the duration of the Contract, a Tax Clearance 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 the tax payments made thereon.

The OPERATOR shall pay all lawful taxes and other impositions on real properties within its area of responsibility under this Contract, which are payable to the government, its agencies, instrumentalities or political subdivisions, accruing from the date of the effectivity of this Contract.

Section 4.13 – **Quality Standards** - Within six (6) months from the effectivity of the Contract, the OPERATOR shall have commenced the required processes in order to secure a certification for ISO 9001 (Quality Management Systems Standards), ISO 14001 (Environmental Management Systems Standards), and ISO 45001 (Occupational Health and Safety Management System Standards). For this purpose, the OPERATOR shall notify AUTHORITY as soon as it has secured the necessary certifications and in no case to exceed three (3) years from the signing of the Contract.

The core and non-core processes mentioned in Section 4.02 shall be enrolled to the ISO Integrated Management System (ISO 9001, ISO 14001 and ISO 45001) certification.

Section 4.14 – **Utilities** - The OPERATOR shall pay all charges relating to electrical supply, communications and other utilities used within the concession area directly to the individual service providers.

Section 4.15 – **Promotion** - The OPERATOR shall market and promote the concession area. It may also request the AUTHORITY to assist in its marketing and promotional activities. Reasonable and actual costs incurred by the AUTHORITY in connection therewith shall be reimbursed by the OPERATOR, subject to the prior approval by the OPERATOR, and upon presentation of valid supporting documents.

Section 4.16 – **Performance Security** - The OPERATOR shall, within one (1) month from signing of this Contract, put up the required Performance Security.

FORM OF PERFORMANCE SECURITY	AMOUNT OF PERFORMANCE SECURITY
Cash, cashier's check, or manager's check	Equivalent to the total amount of concession fee of the year for which the Performance Security is posted.
Bank draft/guarantee or irrevocable letter of credit	
Surety Bond	

The Performance Security shall answer for and guarantee the faithful performance of its obligations under this Contract. It shall further guarantee the prompt payment of all its contractual liabilities, such as but not limited to, payment of Variable Fees, interest and penalties in case of delay, and other charges, as well as losses, injuries or damages on any property and other premises occupied by or under the control of the OPERATOR. It shall also answer for the damages that the AUTHORITY may sustain as a result of the OPERATOR's non-performance or violation of any contractual obligation or due to negligence. In case of forfeiture by the AUTHORITY of the Performance Security, the equivalent amount shall be replenished by the OPERATOR. The Performance Security, until so released in writing by the PPA, shall remain in full force and effect and shall be secured in accordance with PPA AO No. 12-2018, as amended. The OPERATOR shall renew the Performance Security annually and failure of which shall constitute a default on its part and shall cause the termination of the Contract.

The form and conditions of the Performance Security shall be in accordance with the pertinent rules and regulations of the AUTHORITY.

Section 4.17 – **Property and Cargo Under the OPERATOR’s Control** - The AUTHORITY reserves the right to police entry and exit gates and the use of the concession area for national security and for the exercise of its regulatory functions. All other government regulatory agencies such as the Bureau of Customs, Philippine Coast Guard, Bureau of Quarantine, etc. shall continue to exercise their inherent functions in the concession area. The AUTHORITY assumes no responsibility or liability for loss or damage to the property of the OPERATOR or property under the control of the OPERATOR whether caused by fire, water or other causes, nor does it assume responsibility for any shortages of cargo handled by the OPERATOR at the concession area, except in cases where the loss or damage is attributable to the fault, willful act or negligence of the AUTHORITY, its officers, agents, or employees.

Section 4.18 – **Port Safety and Security** - The OPERATOR shall be responsible for the safety and security in the concession area. It shall implement there the Port Facility Security adopted by the AUTHORITY and such other safety and security measures applicable and/or required thereon. The OPERATOR shall also comply with all safety and security regulations promulgated by the government agencies concerned.

ARTICLE V

TARIFF AND RATE ADJUSTMENT

Section 5.01 – **Tariff and Related Service Charges** - The applicable tariff on stevedoring, storage and other related services for handling cargoes at the concession area shall be provided in Annex “__” hereof which forms an integral part of this Contract.

Section 5.02 – **Rate Adjustment** - The prescribed rates and charges collectible by the OPERATOR for services rendered may be subject to adjustments in accordance with the rate adjustment mechanism as approved by the AUTHORITY.

Failure of the OPERATOR to secure authorization to increase cargo handling rates in accordance with the rate adjustment mechanism of the AUTHORITY shall not absolve the OPERATOR from the payment of any fees stipulated in Article III hereof.

Section 5.03 – **Cost Recovery Measures** - Subject to the conditions set in the preceding Section, and in order to cushion the impact of changes in input prices of labor, fuel and power, an interim across the board cargo handling rate increase may be granted to the OPERATOR using the Consumer Price Index (CPI) formula as a guide.

Section 5.04 – **Rate-Setting for Non-Traditional Services** - In cases where non-traditional services may be offered to the port users, the OPERATOR may apply for the applicable service rates and such rates shall be processed in accordance with the tariff setting mechanism of the AUTHORITY.

ARTICLE VI

PORT LABOR

Section 6.01 – **Port Workers' Retirement and Separation Fund (PRSF)** - The OPERATOR shall upon the effectivity of this Contract establish and maintain a PRSF strictly in accordance with the pertinent provisions of PPA Administrative Order No. 01-2006, as amended. The PRSF shall be used exclusively to finance and pay the benefits of port workers and employees of the OPERATOR who resign, retire, have been retrenched or whose services have been terminated due to change of operator/contractor at the concession area. The amount of the PRSF shall be correspondingly adjusted/increased in accordance with the applicable regulations of the AUTHORITY to fully cover the retirement/separation benefits of port workers/employees of the OPERATOR retiring during the term of this Contract, provided that any existing retirement and separation plan of the OPERATOR in favor of its employees which conforms with the requirements of PPA Administrative Order No. 01-2006, as amended, shall be sufficient for this purpose.

Section 6.02 – **Relationship of Parties** - Nothing contained herein shall be construed as establishing a relation of employer and employee as between the AUTHORITY and the OPERATOR. The OPERATOR has complete charge, supervision and control of its personnel and shall be fully responsible for the services performed by them or on their behalf.

The OPERATOR shall during the performance of the services under this Contract be an independent contractor, retaining complete control over its personnel, conforming to all statutory requirements with respect to all its employees, and providing all appropriate employee benefits.

ARTICLE VII

PROHIBITION AGAINST ASSIGNMENT AND TRANSFER OF CONTACT

Section 7.01 – **Prohibition Against Assignment and Transfer of Contract** - The OPERATOR shall not, either directly or indirectly, assign, hypothecate, encumber or transfer this Contract or any interest therein without prior written consent of the AUTHORITY, which consent shall not be unreasonably withheld.

ARTICLE VIII

SUSPENSION CANCELLATION OR TERMINATION OF CONTRACT AND DAMAGES

Section 8.01 – **Grounds** - The AUTHORITY may, without prejudice to other remedies against the OPERATOR, extrajudicially suspend, cancel or terminate this Contract on any of, but are not limited to, the following grounds, which may be determined as fundamental breaches of Contract:

1. Failure of the OPERATOR without justifiable cause to remit to the **AUTHORITY** the committed Fixed and Variable Fees;
2. Failure of the OPERATOR without justifiable cause, to pay during the designated paydays to its employees, laborers, stevedoring and dockworkers their just salaries or wages, and or remittances of premiums to SSS, Philhealth and fringe benefits as those obligations fall due.
3. Overcharging of cargo handling rates or collection of rates other than those prescribed in this Contract.
4. Failure and/or refusal of the OPERATOR to fully comply with its commitments as specified in its submitted Business Plan.
5. Failure of the OPERATOR to provide and maintain in good operating condition the cargo handling, safety and related equipment/gears resulting to material inefficiency of the concession area.
6. Failure of the OPERATOR to attain the committed productivity rate.
7. Failure of the OPERATOR to establish, maintain and update the prescribed PRSF or similar fund for its workers and employees.
8. Change of control of the OPERATOR arising from the sale, assignment, transfer or other disposition, of all or substantially all, of the capital stock by the OPERATOR without the prior written consent and approval of the **AUTHORITY**.
9. When the OPERATOR's performance is rated or considered "FAILED" in accordance with the Performance Standards and Rating System, or its subsequent amendments, of the **AUTHORITY**.
10. Failure of the OPERATOR to post the Performance Security in accordance with Section 4.16 or to renew the same within one (1) month after the expiration of the said bond.
11. Unjustified refusal of the OPERATOR to make available its books of accounts and other documents for inspection, examination or audit as provided for in this Contract or otherwise to submit to supervision, inspection and/or overseeing by **AUTHORITY** and/or duly authorized representatives, after prior reasonable notice.
12. Existence of pilferages of cargoes in excess of one-tenth (1/10) of one (1%) percent of the total value and/or the total volume in metric tons of all cargoes handled monthly due to the unjustified failure of the OPERATOR to control such pilferages.
13. If the OPERATOR, through any of its corporate officers and ranking management officials or employees from the rank of section head or higher, by taking advantage of their free access to the concession area and the vessels calling thereat, engage in smuggling and other activities and the OPERATOR

fails or refuses without justifiable cause to take corrective or disciplinary action against its culpable officers, officials or employees.

14. If the OPERATOR is engaged in any unlawful, illegal or highly immoral business practice, prejudicial to the interest or well-being of the Government or its employees or laborers or any such practice which would unduly cause cessation of operations of the cargo handling services.

In case of repetitive instances of non-performance regularly by the OPERATOR, the AUTHORITY can take necessary action for termination of the Contract and forfeiture of Performance Security after issuing a maximum of three months' notice.

Subject to due process requirements, when national security so requires or if the AUTHORITY shall find that public interest shall be better served by the cancellation of the Contract.

Section 8.02 – Effects of Cancellation or Termination of Contract - As a consequence of cancellation or termination of this Contract, the AUTHORITY shall:

- a. Seize the Performance Security;
- b. Take possession of the concession area and its equipment;
- c. Take over the management and operation of the concession area; and
- d. Charge the OPERATOR compensation equal to three (3) times the average yearly amount of financial commitments and other remuneration paid during the three (3) years preceding the termination.

Further, the OPERATOR shall have no right to any compensation due, directly or indirectly, to the early termination of this Contract.

Section 8.03 – Notice of Violation and Decision - The AUTHORITY shall inform the OPERATOR in writing of any violation of the terms of this Contract or its failure to perform any of its commitments or undertaking specified in this Contract, giving the latter up to thirty (30) days from receipt within which to explain. In the event such explanation is satisfactory to the AUTHORITY, the AUTHORITY shall allow a period of time to remedy the situation. Otherwise, the AUTHORITY may extra-judicially suspend, cancel or terminate this Contract upon approval by the Board of Directors of the AUTHORITY.

In all cases of violation of this Contract by the OPERATOR, the AUTHORITY shall be entitled to damages as may be adjudicated by proper authorities.

Section 8.04 – Mutual Termination of Contract - At any time, the AUTHORITY and the OPERATOR may agree to terminate this Contract subject to the conditions defined by both parties. No such termination may take effect without the prior approval of the Board of Directors of the AUTHORITY.

Section 8.05 – Ownership/Acquisition of Improvement, Facilities and Equipment; Option to Purchase and Use of OPERATOR's Equipment by AUTHORITY - Upon expiration of the term of this Contract or cancellation prior to its expiration, all existing improvements, structures, buildings and facilities at the

concession area, permanent or semi-permanent, constructed by or belonging to the OPERATOR shall automatically become the property of the AUTHORITY without any obligation to reimburse the cost thereof.

Any equipment of the OPERATOR being used at the concession area shall, upon expiration of the term of this Contract or in the event the Contract is pre-terminated or cancelled, automatically become the property of the AUTHORITY without any obligation to reimburse for the same, except for equipment acquired by the OPERATOR whose depreciation extends beyond the expiration of this Contract. The OPERATOR shall return to their original condition, normal wear and tear excluded, all the existing improvements, structures, buildings and facilities at the concession area; including structures where the equipment, facilities and gears were removed from its installation.

In case the depreciation of equipment and gears extend beyond the term of this Contract, the costs for acquiring cargo handling equipment and facilities shall be mutually agreed by both parties.

The AUTHORITY shall have a right of first refusal over the cargo handling equipment, facilities and gears on the basis of its residual book value.

If the AUTHORITY will not acquire the cargo handling equipment and facilities, the OPERATOR shall remove the same from the port premises within thirty (30) days after expiration of this Contract, provided that such removal can be done without damaging the concession area. If the OPERATOR fails to remove such cargo handling equipment and facilities, the AUTHORITY shall have the right to subject the equipment to an auction sale and apply the proceeds thereof to damages and expenses it had incurred as a consequence of non-removal.

The OPERATOR shall likewise overhaul or recondition all equipment, facilities and gears owned by the AUTHORITY to a state reasonably acceptable to the AUTHORITY.

The Contract shall not be deemed automatically extended even if during the contract period the OPERATOR procured cargo handling equipment whose depreciation period is longer than the contract period.

The second and third sentences of the preceding paragraph shall likewise apply on equipment, infrastructure and other improvements introduced or acquired by the OPERATOR in the event the termination is not due solely to the fault of the OPERATOR.

Section 8.06 – **Takeover by the AUTHORITY** - Without prejudice to Sections 8.01, 8.03 and 10.07 of this Contract, the AUTHORITY shall have the right to immediately takeover operations at the concession area, including all equipment and structures therein, in any of the following instances:

- a. In cases of any emergency such as strikes, lock-out, stoppage of work and other causes of similar nature for the duration of such emergencies if the same results in the inability of the OPERATOR to carry out its obligations and deliver the services in accordance with the Contract;

- 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; or
- d. In such other cases where the AUTHORITY deems that the takeover is warranted as provided in Article II, Section 17(b), 12(c) of PPA Administrative Order No. 01-2006, as amended.

Section 8.07 – **National Security** - In cases where national security or public interest so requires, the AUTHORITY may suspend the effectivity of this Contract and immediately take-over operations of the concession area. Upon cessation of the event affecting national security or public interest, the AUTHORITY shall immediately turn-over the operations of the concession area to the OPERATOR. The Fixed Fees shall be reduced in proportion to the period of such take-over. In addition, the term of this Contract shall be automatically extended for a period equivalent to that during which the Contract was suspended.

Section 8.08 – **Compensation** - In the event that the property and/or operations of the OPERATOR or any part thereof at any time becomes the subject matter of or be included in any notice, notification or declaration concerning or relating to acquisition by the Government or any government authority or if the Government or government authority shall seize or otherwise appropriate in time of war or national emergency all or any substantial part of the property or other assets or control of operations of the OPERATOR or shall have taken any action that would prevent the OPERATOR or their officers from carrying on the operation of its business or a substantial part thereof, the OPERATOR shall forthwith inform the AUTHORITY of the same and the parties hereto shall undertake all necessary steps and measures to ensure that the OPERATOR is awarded reasonable compensation for the duration of such seizure or appropriation.

ARTICLE IX

VENUE OF ARBITRATION AND LITIGATION

Section 9.01 – **Venue of Arbitration and Litigation** - In case of controversy or dispute arising between the OPERATOR and the AUTHORITY concerning this Contract, either party may submit such dispute or controversy to arbitration. The arbitration proceedings shall follow the rules prescribed in Republic Act No. 9285, as amended, otherwise known as the "Alternative Dispute Resolution Act of 2004," and shall be conducted in the City of Manila.

The venue of any court action arising from this Contract shall be the proper court in the City of Manila to the exclusion of all other venues. Provided, however, that nothing herein contained shall preclude the AUTHORITY from exercising its rights provided under Article VIII, Sections 8.01, 8.05 and 8.06 of this Contract.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.01 – **Compliance with Government Rules and Regulations** - The OPERATOR shall, from the effectivity of this Contract, strictly comply with all the existing laws, policies, guidelines, rules and regulations which are now or may hereafter be promulgated by the government and/or the AUTHORITY. All such policies, guidelines, rules and regulations, and all applicable laws, shall be read into, and made integral part of this Contract.

Section 10.02 – **Training Program** - The OPERATOR shall conduct training programs for its employees in coordination with the AUTHORITY. Likewise, the OPERATOR shall conduct trainings for its employees and those employees of the AUTHORITY in line with the technology transfer and advancement.

Section 10.03 – **Claims, Damages and Liabilities** - The OPERATOR shall hold the AUTHORITY free and harmless from any and all claims, damages, liabilities, actions, suits or causes of action which may be brought by any third party by reason of this Contract, including its implementation, or arising from its own actions or of any of its employees, agents and representatives, or due to the non-performance or non-observance of any law, statute, administrative, executive order, resolution, ordinance, or any of the covenant herein contained.

Section 10.04 – **Claims Relating to Lands Subject of Expropriation Proceedings** - The AUTHORITY hereby warrants to the OPERATOR that the AUTHORITY has the right to grant the OPERATOR possession of the real property subject of this Contract and that the OPERATOR will have quiet possession of the same in pursuance of, and for the period set out in this Contract.

The AUTHORITY shall hold the OPERATOR free and harmless from any and all liabilities and claim for damages and/or suits relating to the lands subject of the expropriation cases or civil proceedings filed by or against the AUTHORITY including but not limited to the case before the Supreme Court, entitled “Philippine Ports Authority vs. Remedios Rosales-Bondoc, et al.”, docketed as G.R. No.173392 and all other related cases.

Section 10.05 – **Non-Relinquishment or Non-Waiver or Rights** - The failure of the AUTHORITY to insist upon a strict performance of any of the terms, conditions and covenant hereof shall not be deemed a relinquishment or waiver of right or remedy that the AUTHORITY may have, nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions or covenants herein contained. No waiver by the AUTHORITY shall be deemed to have been made unless expressed in writing and signed by the AUTHORITY or its duly authorized representative.

Section 10.06 – **Notices** - Any notice permitting or required to be served upon the OPERATOR may be served upon at the office address of the OPERATOR. If the OPERATOR shall give notice in writing to the AUTHORITY of any change in the office address, then in such event such notice shall be given to the OPERATOR at such substitute address. Any notice permitted or required to be served upon the AUTHORITY may be serve upon it at the PPA Head Office Building, Bonifacio Drive,

South Harbor, Port Area, Manila. If the AUTHORITY shall give notice in writing to the OPERATOR of any change in said address, then and in such event such notice shall be given to the AUTHORITY at such substitute address.

Section 10.07 - Mutual Trust - In entering into this Contract, the parties recognize that it is impracticable to make provision for every contingency that may arise in the course of performance thereof. Accordingly, the parties hereby declare it to be the intention that this Contract shall operate between them with fairness and without detriment to the interest of either of them. If in the course of performance of this Contract, unfairness to or detriment to the interest of any party is disclosed or anticipated then the relevant party may send written notice of such unfairness or detriment to the other party, and within five (5) working days, the parties in good faith shall meet and use their best endeavors to agree upon such actions as may be necessary and equitable to remove the cause or causes of such unfairness or detriment.

If no such agreement is reached by the parties within fifteen (15) working days from the date a party sends to the other party a written request for an action to remove the cause of such unfairness (or such longer period as the parties may agree), the provisions of Article IX shall apply.

Section 10.08 - Force Majeure - Neither party shall be responsible or liable to the other in any manner whatsoever for the destruction, damage, losses, injury, delay, or deviation from the Contract as a result of force majeure, such as but not limited to typhoon, conflagration, floods, fire, widespread epidemic, earthquake, lightning and other similar natural calamities or events which could not be foreseen or which though foreseen, are inevitable, or those events caused by war, rebellion, terrorism, civil unrest or commotion, strikes, lockouts and industrial disputes not within the control of either party.

If either party is unable to comply with any of the conditions specified in this Contract due to force majeure, that party shall notify the other as soon as practicable but not later than ten (10) days after such occurrence. The latter party shall, within one (1) month after receipt of notice, inform the former of its concurrence of the existence of force majeure and the effect thereof on their contractual obligations and responsibilities.

In the event of a force majeure:

- a. The terms of this Contract shall be automatically extended without need of any act for a period equivalent to that during which there was force majeure preventing the OPERATOR from operating the concession area fully and generating revenue therefrom; and
- b. The Fixed Fees shall be reduced in proportion to the period equivalent to that during which there was a force majeure and the OPERATOR was prevented from operating the concession area and generating revenue therefrom.

In any case, the party claiming the benefit of this provision shall exercise due diligence in complying with the provisions of the Contract and shall take appropriate

means to minimize or remove the effects of force majeure and, within the shortest possible time, attempt to resume performance of the obligation affected by the event of force majeure.

Section 10.09 – **Non-Relief From Liability** - Any suspension or cancellation of this Contract shall not relieve the OPERATOR of any liability that may already accrued prior to such suspension or cancellation.

Section 10.10 – **Separability Clause** - The invalidation of any of these covenants, conditions, and restrictions, or part thereof by a final decision or judgment of Court of Law shall in no way affect the other provisions hereof.

Section 10.11 – **Special Warranty** - The OPERATOR hereby warrants that it has not given or promised any gift or consideration to any official of the AUTHORITY or the Government in order to obtain this Contract, and that the execution of this Contract shall not result directly or indirectly in a violation of the Anti-Graft and Corrupt Practices.

ARTICLE XI

ENTIRE AGREEMENT, AMENDMENTS AND SUPPLEMENTS

Section 11.01 – **Entire Agreement, Amendments and Supplements** - This Contract contains the entire agreement and understanding between the AUTHORITY and the OPERATOR as to the subject matter thereof and merges and supersedes all prior agreements, commitments, representations, writings and discussions between them except as to the commitments and representations made by the OPERATOR in its Bid Proposal for which the OPERATOR continues and remains to be bound. This Contract may not be changed, modified or supplemented in any way except by an instrument in writing executed by both the OPERATOR and the AUTHORITY and duly approved by the PPA Board of Directors.

ARTICLE XII

VISITORIAL POWERS

Section 12.01 – **Visitorial Powers** - The OPERATOR shall make available, at all times during office hours and upon prior reasonable notice, for inspection, examination and audit by the duly authorized personnel of the AUTHORITY and the Commission on Audit its books of accounts, billings, payroll and records pertinent to this Contract.

The AUTHORITY shall conduct performance audit, as well as inspect, examine and audit the records and books of accounts, and shall be exercised by visiting officials pursuant to and within the limits of the duties and functions vested upon the respective offices by express provision of the law.

ARTICLE XIII

EFFECTIVITY AND TERM

Section 13.01 – **Effectivity and Term** - This Contract shall become effective on the date specified in the Notice to Proceed to be issued by the AUTHORITY and shall remain in full force and effect for a period of FIFTEEN (15) years unless sooner modified, cancelled, or terminated in accordance with the pertinent provisions herein provided.

Six (6) months prior to the expiration of the Agreement, the AUTHORITY shall initiate the procurement of a new agreement. The new agreement shall be awarded prior to the expiration of the existing agreement.

IN WITNESS WHEREOF, the parties have hereunto, acting through their representatives and duly authorized for the purpose, have caused this Contract to be signed in their respective names as of the day, year and at the place first above-written.

PHILIPPINE PORTS AUTHORITY

WINNING BIDDER

TIN No:
By:

TIN No:
By:

JAY DANIEL R. SANTIAGO
General Manager

**NAME OF AUTHORIZED
REPRESENTATIVE**

SIGNED IN THE PRESENCE OF: