

**Bidding for the Management and  
Operation of Cargo Handling and Other  
Port Related Services of the Baseport -  
Iloilo Commercial Port Complex (the  
“Project”)**

**BID DOCUMENTS  
BAC-PTMC – 07-2023**

## TABLE OF CONTENTS

<b><u>SECTION I. INVITATION TO BID</u></b>	<b><u>4</u></b>
<b><u>SECTION II. INSTRUCTIONS TO BIDDERS</u></b>	<b><u>8</u></b>
<b><u>SECTION III. TERMS OF REFERENCE</u></b>	<b><u>29</u></b>
<b><u>SECTION IV. BIDDING FORMS</u></b>	<b><u>67</u></b>
<b><u>SECTION V. CHECKLIST OF REQUIREMENTS</u></b>	<b><u>84</u></b>
<b><u>SECTION VI. PRO-FORMA CONTRACT</u></b>	<b><u>88</u></b>

## ***SECTION I. Invitation to Bid***



## INVITATION TO BID

### **PORT TERMINAL MANAGEMENT CONTRACT FOR THE BASEPORT- ILOILO COMMERCIAL PORT COMPLEX (ICPC), ILOILO CITY**

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) and other port related services*** of the Baseport - ICPC, Iloilo City (the "Project"). The Project consists of:
  - a) Anchorage/Mid-Stream Operations
  - b) Ancillary and other related services
  - c) Bagging Services
  - d) Berthside Management
  - e) Berthside Operations
  - f) Container Terminal Management
  - g) Stevedoring Service
  - h) Storage Management
  - i) Waste and Shore Reception Facility Management
  - j) Water Distribution Services
  - k) Weighbridge Facility
2. The Concession Period shall be for a period of twenty-five (25) years.
3. The Total Minimum Fixed Concession Fee for the Project from Years 6 to 10 is **FIVE HUNDRED MILLION PESOS (Php500,000,000.00)**, exclusive of all taxes. Bids received below the minimum concession fee shall be automatically rejected.

The minimum fixed annual concession fee for Year 6 of PTMC is **ONE HUNDRED MILLION PESOS (Php100,000,000.00)**, 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 going contracts.  
Experience in operating a terminal that is similar or of greater size than the port subject of this bidding. This relevant experience must show that the bidder handled foreign containerized and non-containerized cargo for a minimum of ten (10) years.

Experience in undertaking similar rehabilitation and construction works that it proposes to undertake as part of its Port Development Plan.

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:

<b>Bidding Activities</b>	<b>Date</b>	<b>Time</b>	<b>Place</b>
1. Advertisement of Invitation to Bid	December 21, 2023		The Manila Times
2. Issuance and Availability of Bidding Documents	December 22, 2023		Legal Services Department, 5th Floor, PPA Corporate Building, Port Area, Manila
3. Pre-Bid Conference	December 29, 2023	10:00 am	Conference Room B, 7 <sup>th</sup> Floor, PPA Corporate Building, Port Area, Manila
4. Deadline for Submission of Bids	January 11, 2024	9:00 am	Conference Room B, 7 <sup>th</sup> Floor, PPA Corporate Building, Port Area, Manila
5. Bid Opening	January 11, 2024	10:00 am	Conference Room B, 7 <sup>th</sup> 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 December 22, 2023 from the address below and upon payment of the

applicable fees for the bidding documents in the amount of ONE HUNDRED FIFTY THOUSAND PESOS (Php 150,000.00) pursuant to PPA AO No. 13-2019. It may be downloaded from the website of the Philippine Ports Authority at [www.ppa.com.ph](http://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:

<b>FORM OF BID SECURITY</b>	<b>AMOUNT OF BID SECURITY</b> Not less than the required minimum concession fee (+ port development cost)
Cash, cashier's check or manager's check 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; or	Two percent (2%)
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  
5<sup>th</sup> Floor, Legal Services Department  
Telephone No. 527-8356 local 528/531  
Email address: [dstguillamon@ppa.com.ph](mailto:dstguillamon@ppa.com.ph)  
PPA website: [www.ppa.com.ph](http://www.ppa.com.ph)

  
**MARIETTA I. GUERRERO**  
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 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 (LARGE B – Port, Harbor and Offshore Engineering) 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.
- v. Experience in operating a terminal that is similar or of greater size than the port subject of this bidding. This relevant experience must show that the bidder handled foreign containerized and non-containerized cargo for a minimum of ten (10) years.

The bidder shall use Bid Form 3 in complying with the requirement of experience in operating a terminal that is similar or of greater size than the port subject of bidding.

- vi. Experience in undertaking similar rehabilitation and construction works that it proposes to undertake as part of its Port Development Plan

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 Year 6 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 Year 6 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 Head, Engineering Head, Finance/Accounting Head, Port Security Head, Admin/HR Head, Harbor Master, Environmental Specialist, Chief Safety Officer and Plant 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/Business 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, including rehabilitation and construction activities



during the first two (2) years of operation and an expansion plan in the event cargo demand breaches the Port's operating capacity (For Tier 1); 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, including evidence of its ability to implement and execute the marketing plan;
  - 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. 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:

<b>FORM OF BID SECURITY</b>	<b>AMOUNT OF BID SECURITY</b> 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, callable upon demand issued by the GSIS or PPA accredited Insurance company	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, chronologically paged 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.

- i. The Performance Security shall be in a form of cash, cashier's/manager's check issued by a Universal or Commercial Bank, bank draft/guarantee or irrevocable letter of credit or surety bond.
- ii. The required amount of the above forms of security shall be equivalent to the total amount of concession fee of the year for which the Performance Security is posted.

The required amount of the Performance Security for Year 1-5 shall be equivalent to the bidder's proposed concession fee for Year 6. The amount of Performance Security for Year 6-10 shall be equivalent to the bidder's proposed concession fee for the said year. For Year 11-25, the amount of Performance Security shall be based on the computed concession fee pursuant to Section 8.3 of the Terms of Reference.

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 PANAY/GUIMARAS**

**TERMS OF REFERENCE**

**For the Bidding of Port Terminal Management Contract (Tier 1) at the  
BASEPORT - ILOILO COMMERCIAL PORT COMPLEX**

**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) 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 a guide to the eligible bidders interested to participate in the public bidding for the Port Terminal Management Contract (PTMC) at the **BASEPORT - ILOILO COMMERCIAL PORT COMPLEX (ICPC), PMO PANAY/GUIMARAS.**
- 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 cargo handling and other port-related services at the BASEPORT - ICPC in Iloilo City, which encompasses the area of **205,965.45 sq. meters** particularly defined and delineated in the Port Land Use Scheme (PLUS) DATA, hereto attached as **Annex "A"**.
- 3.2 The operation of the Baseport ICPC is limited to **foreign vessels and foreign cargoes** only.

As part of the transition period from both foreign and domestic operations to purely foreign operations, the Baseport - ICPC may still be allowed to handle domestic vessels and cargoes for a period of five (5) years from the start of the PTMC or until the completion and proper turn-over of the port development project at FORT SAN PEDRO TERMINAL being designated as the Terminal for domestic vessels, whichever comes first.

3.3 The minimum deliverables to be provided include, but are not limited to the following:

- a) Anchorage/Mid-Stream Operations – operation of loading and unloading of cargo while at sea, with barges or lighters performing the transfer, distribution or landing of cargoes to piers nearby.
- b) Ancillary and other related services – include the services needed by the port users like bunkering, chandling and others that are not related to handling of traffic but are considered incidental or complementary 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 the 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 the approval of the 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 the PTMO in accordance with existing pertinent PPA rules and regulations.
- c) 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 a bagging machine, hopper and conveyor.
- d) Berth Management – refers to the proper berth allocation and vessel movement in ports to maximize utilization of terminal facilities and services and ensure vessel fast turnaround time.
- e) 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.
- f) Container Terminal Management – includes handling of containers discharged or loaded unto vessels and controlling the overall movement and storage of containers.

- g) **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 onboard the vessel which is the process or act of loading and unloading cargo, stowing inside hatches, securing cargo stored onboard by lashing, shoring and trimming.
- h) **Storage Management** – includes the management and operations of storage facilities, to include among others covered/open areas, CY/CFS, or consolidation sheds, dedicated for short-term storage/stacking of containers and cargoes.
- i) **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.
- j) **Water Distribution Services** – includes the provision of fresh water to vessels, ships and other sea-going crafts docked at the piers, wharves and anchorage.
- k) **Weighbridge Facility** – includes the provision of a weighbridge facility inside the port premises, including a weighbridge office and lay-by area for temporary holding or stripping of overloaded containers and RO-RO vehicles.

### 3.4 Investment Requirement

#### a) Investment Commitment

The Port Development/Business Plan of the prospective bidder should indicate the investment commitment including, but not limited to, port infrastructure program and cargo handling equipment procurement program in accordance with the attached template (**Annex "B"**), in order to attain the minimum Key Performance Indicator of the port subject of bidding.

- b) Within three (3) months of taking over the operations of the terminal, the PTMO shall provide an information technology system fully operational such as but not limited to the following:
  - 1. Internationally recognized Terminal Operation System (TOS)
  - 2. Financial System
- c) The maintenance of PPA-owned and built equipment and infrastructure shall be undertaken by the PTMO.
- d) PTMO shall provide a plan to meet future demand, which shall include the following:

1. Construct new 250m berth
2. Upgrade the container yard to handle partial RTG operations.
3. Provide the necessary cargo handling equipment.

#### 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 BASEPORT - ICPC, PMO PANAY/GUIMARAS particularly described and delineated in **Annex "A"** hereof.

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 a lease.

- 4.2 The PTMC subject of the bid shall be for a period of **twenty-five (25)** years

#### 5. Criteria for Award

- 5.1 The PTMC shall be awarded to the eligible bidder that offered the highest total Fixed Annual Concession Fee for Years 6 to 10.

The minimum fixed annual concession fee for Years 6 to 10 at the BASEPORT - ICPC, PMO PANAY/GUIMARAS is set at **FIVE HUNDRED MILLION PESOS (Php500,000,000.00)**, exclusive of all taxes, as computed below:

Year	Minimum Fixed Annual Concession Fee
Year 6	Php100,000,000.00
Year 7	Php100,000,000.00
Year 8	Php100,000,000.00
Year 9	Php100,000,000.00
Year 10	Php100,000,000.00
<b>Total</b>	<b>Php500,000,000.00</b>

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

#### 6. Port Development/Business Plan

- 6.1 The PTMO must have a Port Development Plan highlighting the committed strategies that will be employed in the management and operations of the BASEPORT – ICPC, PMO PANAY/GUIMARAS for the duration of the contract. The Plan shall include the following:



- a) Infrastructure Investment and Maintenance Program, including rehabilitation and construction activities during the first two (2) years of operation and expansion plan in the event cargo demand breaches the Port's operating capacity
- b) Port Productivity Commitment (Key Performance Indicator)
- 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
- k) Port Management and Information System (MIS) Plan

6.2 Each component of the Port Development/Business Plan should comply with 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 at the BASEPORT ICPC, PMO PANAY/GUIMARAS shall be the rates prescribed by PPA hereto attached as **Annex "C"**.

7.2 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.

7.3 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 Revenue Share from Contract Years 1 to 5**

For the first five (5) Contract Years beginning on the effectivity of the Port Terminal Management Contract, the Port Terminal Management Operator (PTMO) shall remit to the PPA a twenty percent (20%) share of its annual gross revenues from all sources, payable not later than the fifth (5<sup>th</sup>) day of the first month of every quarter without the need of demand.

## 8.2 Fixed Annual Concession Fee from Years 6 to 10

The PTMO shall remit a fixed annual concession fee to the PPA for Contract Years 6 to 10 in the amount presented hereunder, payable not later than the (5<sup>th</sup>) day of the first month of every quarter without the need of demand.

## 8.3 Concession Fee Escalation for Years 11 to 25

On year 11, and every three (3) years thereafter, the concession fee shall be increased based on the Consumer Price Index (CPI) adjustment factor using the formula below:

*Formula:*

$$\text{Concession fee} = \text{Concession Fee of the Current Year} \times \frac{\text{CPI (All Items) Philippines NEW}}{\text{CPI (All Items) Philippines OLD}}$$

*Where:*

*CPI (All Items) Philippines NEW = the CPI of the immediately preceding Contract Year*

*CPI (All Items) Philippines OLD = the CPI of the contract year the last concession fee was increased*

*However, the CPI (All Items) Philippines OLD for Year 11 concession fee computation shall be based on the CPI of the 7<sup>th</sup> year of the Concession Contract*

The concession fee for Years 11 – 25 shall be payable not later than the fifth (5<sup>th</sup>) day of the first month of every quarter without the need of demand.

8.4 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 10 of this TOR, pay the PPA the concession fee stipulated in the PTMC.

8.5 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.

8.6 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.

- 8.7 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.
- 8.7.1 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.
- 8.7.2 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.
- 8.7.3 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.
- 8.8 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.
- 8.9 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 Performance Security shall be in any of the following forms:

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 required amount of the Performance Security for Year 1-5 shall be equivalent to the bidder's proposed concession fee for Year 6. The amount of Performance Security for Year 6-25 shall be equivalent to the bidder's proposed concession fee for the said years. For Year 11-25, the amount of the Performance Security shall be based on the computed concession fee pursuant to Section 8.3 of the Terms of Reference.

The Performance Security shall be denominated in Philippine Peso and posted in favor of the PPA, which shall be forfeited by the PPA in the event it is established that the winning bidder is in default in any of its obligations under the PTMC.

8.10 The PTMO shall pay charges relating to electricity, water, communications, and other utilities used within its area of responsibility.

8.11 To ensure that the bidder is financially capable of entering into the 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 to bidding; and

b) The prospective bidder shall include the manager's check equivalent to the minimum concession fee for Year 6 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.

8.12 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 **FIFTY-ONE MILLION (Php51,000,000.00)**.

8.13 Variable Fee Years 6 to 25

In addition to the yearly concession fee, a twenty percent (20%) variable fee shall be remitted by the PTMO if the actual traffic volume exceeded the volume threshold by ten percent (10%). The volume threshold for Year 6 shall be based on the highest throughput for the last 5 years.

The volume threshold shall thereafter be increased yearly based on the average percentage increase on traffic for Contract Years 1 to 5.

## 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:

Key Performance Indicators	Productivity Rates	
1. Vessel Productivity	Average gross service time at berth per vessel	Average working time at berth per vessel
❖ RoRo (RORO/LCT)	13.74 hours	11.08 hours

❖ Containerized Vessel (Domestic)	9.28 hours	8 hours
❖ Tramping Vessel		
▪ Cement		
- Domestic	38.57 hours	33.44 hours
- Foreign	68.01 hours	59.69 hours
▪ Rice in bags	206.72 hours	152.19 hours
▪ Other General Cargo in bulk/rebagging (Corn/Fertilizer/Soya/wheat)	153.3 hours	130.66 hours
2. Average number of cranes per vessel	Two (2)	
3. Conventional (MT) Cargo in tonner bags and other palletized commodities	100 MT / Hour for Domestic (Self-sustaining / Mobile Harbor Crane)  140 MT / Hour for Foreign (Self-sustaining / Mobile Harbor Crane)	
4. Bulk (using a pipeline) Cement Silo	150 MT / Hour	
Bulk (using 2 hoppers) Domestic	60 MT / Hour	
Foreign	100 MT / Hour	
5. RORO (Car ship)	60 Units / Hour	
6. CONTAINERIZED (box)	25 Boxes / Hour using STS	
7. Port user satisfaction survey results	Very satisfactory	
8. Minimum port user and passenger service standards	Full Compliance/ IMS Certification	

KPIs are subject to a 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.

- a. The PTMO shall on its account provide and deploy upon commencement of operation its committed principal/key operations personnel and port workers 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:

PRINCIPAL/KEY PERSONNEL	Years of Relevant
-------------------------	-------------------

	<b>Work Experience</b>
General Manager	2 years
Operations Head	2 years
Engineering Head	2 years
Finance/Accounting Head	2 years
Port Security Head	2 years
Admin/HR Head	2 years
Harbor Master	2 years
Environmental Specialist	2 years
Chief Safety Officer	2 years
Plant Supervisor	2 years

<b>MINOR EQUIPMENT/GEARS</b>	<b>UNIT</b>	<b>CAPACITY</b>
This is in addition to the Equipment listed in Annex B		
<b><u>Annex "D"</u></b>		

The minimum equipment and gears required shall be reviewed once the handling of foreign containers commences.

- b. 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.
- c. 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.
- d. 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.
- e. 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 and fixtures

of the PTMO as may be needed by PPA for the continuous and uninterrupted operation at the port.

- f. The PTMO shall return to its 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.
- g. 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.
- h. The PTMO shall furnish PPA with 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 on its operational, security engineering, and financial activities as well as monthly reports on the maintenance and development of the facilities and equipment.

#### **10. Port Structural Capacity**

The PTMO shall be responsible for validating the design parameters (design capacity) for the Port as provided in **Annex "E"**.

#### **11. Investment Categories**

11.1 The maintenance of PPA-owned and built equipment and infrastructure shall be undertaken by the Contractor in accordance with a pre-determined maintenance plan.

#### **12. Facilities Constructed or Introduced by the PTMO**

- 12.1 Upon the expiration of the term of this PTMC or cancellation before 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 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 the 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 port workers, 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 arrastre and stevedore 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 port workers 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 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 and its Facilities**

- 14.1 The PTMO shall maintain the concession areas of the port in a clean, safe, usable, and proper working condition at the PTMO's expense and account.
- 14.2 The PTMO shall be responsible for cleanliness, and good housekeeping including the port garbage collection in accordance with the policies of the PPA in the area, offices, shed, and other premises under its operational control.
- 14.3 The PTMO shall immediately be responsible for its operation, upkeep, and maintenance of the existing standby 500 KVA generator set including its accessories and reefer outlet terminals facility including the supply of manpower.
- 14.4 The PTMO shall immediately be responsible for the operation, upkeep, and maintenance of the existing water pumphouse and elevated water tank and all water piping system ensuring the availability of freshwater 24/7 including the supply of manpower.



14.5 The PTMO shall be responsible for the operation and maintenance of all high mast tower lights and street lighting systems within the area of coverage of this PTMC.

14.6 The PTMO is responsible for the repair and maintenance of port roads and pavement and all plumbing works, carpentry/masonry works, repainting works, and metal and steel works within the area of coverage of this PTMC.

## **15. Port Safety, Environmental and Security**

15.1 The PTMO 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 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 The 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 and 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 OSHS 18001 (Occupational Safety and Health Standards) OR Integrated Management System (IMS) within three (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 an integral part of this TOR.

Prepared by:

  
ALVIN M. ROJO  
Port Manager, PMO Panay/Guimaras

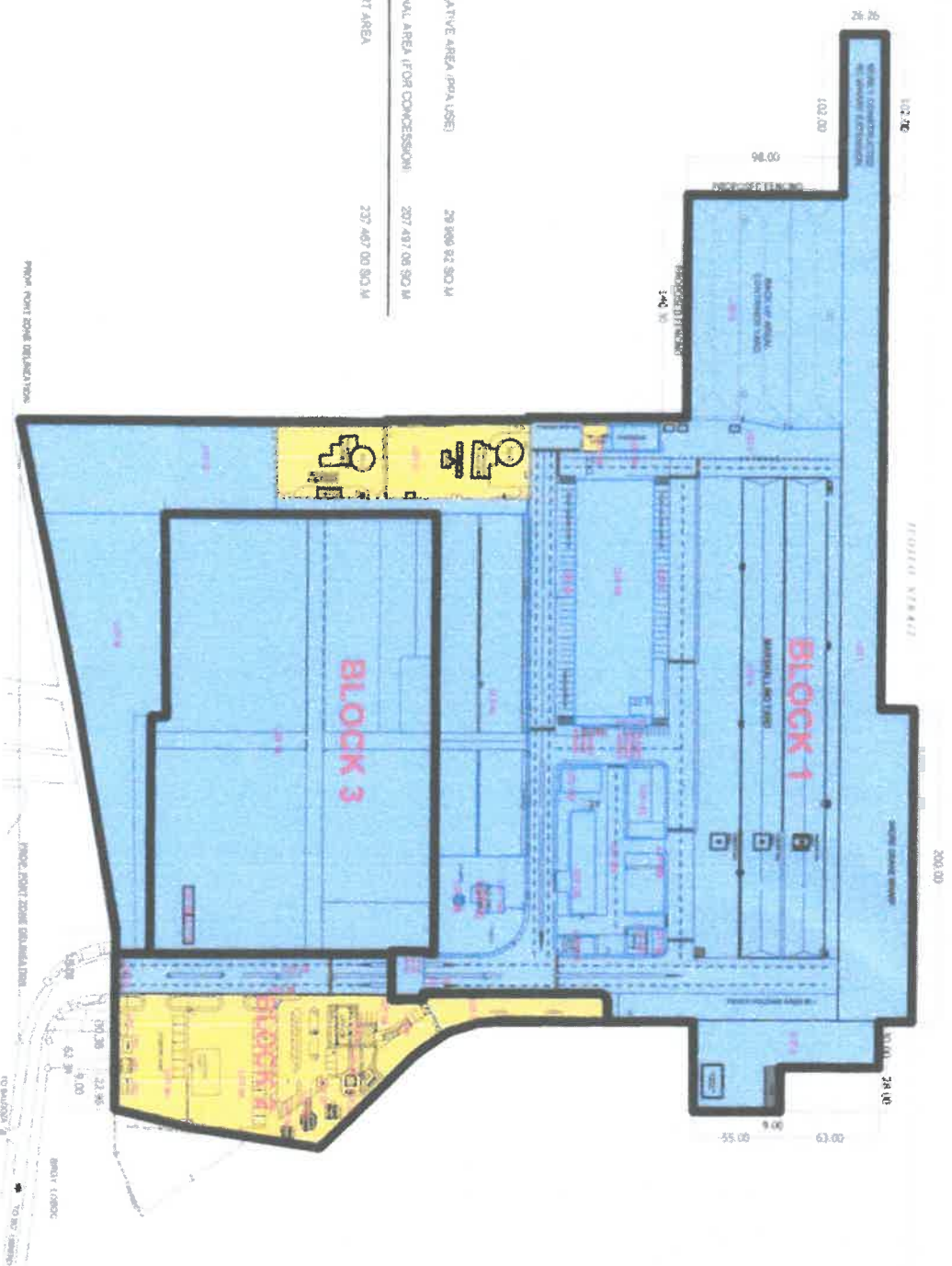
Approved by:

  
JAY DANIEL R. SANTIAGO  
General Manager

# "ANNEX A"

**LEGEND**

	ADMINISTRATIVE AREA (PPA USE)	29 866 SQ SQ M
	OPERATIONAL AREA (FOR CONCESSION)	207 497 08 SQ M
	TOTAL PORT AREA	237 467 00 SQ M



PORT TERMINAL MANAGEMENT REGULATORY  
FRAMEWORK (PTMRF) PLAN

PTMRF LORBER LA INC. HOLIDAY CITY

PTMRF LORBER LA INC. HOLIDAY CITY

PTMRF LORBER LA INC. HOLIDAY CITY

PTMRF LORBER LA INC. HOLIDAY CITY

PTMRF LORBER LA INC. HOLIDAY CITY

PTMRF LORBER LA INC. HOLIDAY CITY

ALAN JAMES CURRY  
FIRST FLOOR PLAN  
1963

SEAL  
SECOND FLOOR PLAN  
DATE  
BY



ANNEX B - INVESTMENT REQUIREMENT

INVESTMENT REQUIREMENT AND DEVELOPMENT FOR ILOILO COMMERCIAL PORT COMPLEX														
DRAWING LEGEND:	ITEM		IMPLEMENTATION SCHEDULE (START AND END MONTH/YEAR)											
	I.	PARTICULARS	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10	Yr. 11	Yr. 12 to 25
														COST (PHP)
	1.0	UPGRADING OF CONTAINER YARD (SAMPLE ONLY)												
	2.0													
	3.0													
	4.0													
	5.0													
	II.	CARGO HANDLING EQUIPMENT												Total
	1.0	MOBILE HARBOR CRANE (SAMPLE ONLY)												
	2.0													
	3.0													
														Total



Annex "C"

**CARGO HANDLING CHARGES FOR DOMESTIC CARGOES & OTHER CHARGES**  
**Tier 1 Ports under the Port Terminal Management Regulatory Framework**

**A. CARGO HANDLING TARIFFS**

	Unit of Measurement	Stevedoring Fee (PhP)	
<b>1. Breakbulk Cargoes</b>		<b>Palletized</b>	<b>Non-Palletized</b>
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, Frozen Goods)	Per Cubic Meter or Metric Ton whichever is higher	117.00	130.00
<b>2. Bulk Cargoes</b>			
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
		<b>Stevedoring Fee (PhP)</b>	
<b>3. Containerized Cargoes</b>		<b>Loaded</b>	<b>Empty</b>
a) LO-LO	Per TEU	2,008.00	1,593.00
		<b>Handling Fee (PhP)</b>	
		<b>Loaded</b>	<b>Empty</b>
b) CHA-RO / STO-RO	Per TEU	549.00	221.00
<b>4. Charges for Value Added Services</b>			
		<b>Regular Time</b>	<b>Overtime</b>
4.1 Stand-by Charges	Per gang/hour or fraction thereof	442.00	662.00
4.2 Extra Labor Charges	Per gang/hour	442.00	662.00

## Annex “C”

### CARGO HANDLING CHARGES FOR DOMESTIC CARGOES & OTHER CHARGES Tier 1 Ports under the Port Terminal Management Regulatory Framework

4.3 Shoring/Lashing/Unlashing/Trimming	Per gang/hour	442.00	622.00
4.4 Pre/post Handling	¼ of General Cargo rate		
		<b>Loaded</b>	<b>Empty</b>
4.5 Shifting Charges	Per TEU	1,020.00	723.00
4.6 Crane 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	Per Cubic Meter		54.00
4.10 Battery Charging	Per Hour		246.00
4.11 Handling Activities at Cold Storage	Per Pallet		70.00
4.12 Sweeping	Per bag		10.00
4.13 Checking Charges	Per Metric Ton		125.00
4.14 Bagging	Per Metric Ton		150.00
4.15 Unbagging	Per Metric Ton		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



**Annex "C"**

**CARGO HANDLING CHARGES FOR DOMESTIC CARGOES & OTHER CHARGES  
Tier 1 Ports under the Port Terminal Management Regulatory Framework**

<b>C. PASSENGER TERMINAL FEE</b>	Per pax	PhP	30.00
<b>D. PORTERAGE RATES</b>	Per piece	PhP	50.00

**CARGO HANDLING CHARGES FOR DOMESTIC CARGOES & OTHER CHARGES**  
**Tier 1 Ports under the Port Terminal Management Regulatory Framework**

**E. WASTE RECEPTION FEE**

TYPE AND CLASSIFICATION OF VESSEL	FIXED FEE (In PhP) (Covers the Collection of 1.0 cu.m. or less of garbage)	ADDITIONAL SERVICE FEE (In PhP)	
		Excess Garbage	Oily Wastes and Noxious Liquid Substance
<b>DOMESTIC</b>			
➤ Motor bancas with capacity of less than 15 passengers	Exempted		
➤ Motor bancas and Passenger/Cargo vessels with capacity of more than 15 passengers and up to 35 GT	500.00 per one (1) round trip	500.00 per cu.m.	6,500.00 per cu.m.
➤ Passenger/Cargo vessels above 35 GT up to 400 GT			
- Short Travel Time	750.00 per one (1) round trip	750.00 per cum.	6,500.00 per cu.m.
- Long Travel Time	750.00 per call		
➤ Passenger/Cargo vessel above 400 GT up to 1000 GT			
- Short Travel Time	1,000.00 per one (1) round trip	1,000.00 per cu.m.	6,500.00 per cu.m.
- Long Travel Time	1,000.00 per call		
➤ Passenger/cargo vessel exceeding 1,000 GT	2,000.00 per call	1,800.00 per cu.m.	6,500.00 per cu.m.
<b>FOREIGN</b>			
➤ Below 1,000 GT	10,000.00 per call	10,000.00 per cu.m.	20,000.00 per cu.m.
➤ Above 1,000 GT	15,000.00 per call	15,000.00 per cum.	20,000.00 per cu.m.

**F. LINE HANDLING FEE (Per Vessel Per Call)**

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

**CARGO HANDLING TARIFFS FOR FOREIGN CARGOES**  
**Tier 1 Ports under the Port Terminal Management Regulatory Framework**

CONTAINERIZED CARGO	Unit of Measurement	Vessel Charge (Stevedoring)		Cargo Charge (Arrastre)		Stevedoring Fee	
		(Stevedoring)		(Arrastre)			
		Loaded	Empty	Loaded	Empty	Loaded	Empty
<b>A. Vessel Charge (Stevedoring)</b> <u>Non-Self Sustaining Vessel</u>							
1. <u>CY/FCL</u>							
20 Footer	/box	US\$ 116,003	97,511			US\$ 116,003	97,511
40 Footer	/box	US\$ 162,269	125,623			US\$ 162,269	125,623
2. <u>CFS/LCL -Inbound/Outbound</u>							
20 Footer	/box	US\$ 287,366		Import and export shall be charged based on actual weight or measurement of LCL cargoes applying the present general cargo rate.		US\$ 287,366	
40 Footer	/box	US\$ 418,790				US\$ 418,790	
3. <u>Shifting on Board</u>	/box	US\$ 87,891				US\$ 87,891	
4. <u>Shifting Via Dock (SVD)/Barge/ Vice Versa</u>							
<u>SVD Loaded</u>							
1-4 TEU/bay(or equivalent units)	/box	US\$ 197,791				US\$ 197,791	
Above 4 TEU/bay (or equivalent units) but no more than 15 units/bay	/box	US\$ 257,121				US\$ 257,121	
Above 15 units/bay	/box	US\$ 334,232				US\$ 334,232	
<u>SVD Empty</u>							
1-4 TEU/bay(or equivalent units)	/box	US\$ 197,791				US\$ 197,791	
Above 4 TEU/bay (or equivalent units)	/box	US\$ 257,121				US\$ 257,121	
Gear/BC Box	/box	US\$ 197,791				US\$ 197,791	
5. <u>Foreign Transshipment (without rework)*</u>							
20 Footer	/box	US\$ 153,403				US\$ 153,403	
40 Footer	/box	US\$ 191,823				US\$ 191,823	
6. <u>Empty Flat Racks</u>							
Two to four 20-foot empty flat racks bundled as one unit	/bundle	US\$ 116,003				US\$ 116,003	
Two to four 40-foot empty flat racks bundled as one unit	/bundle	US\$ 162,269				US\$ 162,269	
<u>Self Sustaining Vessel</u>							
1. <u>CY/FCL</u>							
20 Footer	/box	US\$ 64,008	45,780			US\$ 64,008	45,780
40 Footer	/box	US\$ 110,127	73,665			US\$ 110,127	73,665
2. <u>CFS/LCL -Inbound/Outbound</u>							
20 Footer	/box	US\$ 234,062				US\$ 234,062	
40 Footer	/box	US\$ 364,551				US\$ 364,551	
3. <u>Shifting on Board</u>	/box	US\$ 36,197				US\$ 36,197	
4. <u>Shifting Via Dock (SVD)/Barge/ Vice Versa</u>	/box	US\$ 94,217				US\$ 94,217	

**CARGO HANDLING TARIFFS FOR FOREIGN CARGOES**  
**Tier 1 Ports under the Port Terminal Management Regulatory Framework**

	Unit of Measurement	Vessel Charge (Stevedoring)		Cargo Charge (Arrastre)		Stevedoring Fee	
		Loaded	Empty	Loaded	Empty	Loaded	Empty
		US\$		US\$		US\$	
5 Foreign Transshipment (without rework)* 20 Footer 40 Footer	/box /box	US\$ US\$	68,331 106,851			US\$ US\$	68,331 106,851
<b>B. Cargo Charges (Arrastre)</b>							
1 FCL-Import Loaded 20 Footer 40 Footer	/box /box			PHP PHP		PHP PHP	
				4,738.00 10,869.00		4,738.00 10,869.00	
2 FCL-Export Loaded 20 Footer 40 Footer	/box /box			PHP PHP		PHP PHP	
				3,868.00 8,884.00		3,868.00 8,884.00	
2.1 Shut-out Export (an added charge on top of an added charge on top of the arrastre (export) charge) Full/Loaded Empty	/box /box			PHP PHP		PHP PHP	
				3,863.00 1,932.00		3,863.00 1,932.00	
3. CFS/LCL - Import and Export shall be charged based on actual weight or measurement of LCL cargoes, applying the present general cargo rate							
4 Empty Container Handling Fee (per PPA AO No. 12-2020 dtd. Dec. 15, 2020) Import 20 footer 40 footer 45 footer	/box /box /box			US\$ US\$ US\$		US\$ US\$ US\$	
				31.46 62.92 70.79		31.46 62.92 70.79	
Export 20 footer 40 footer 45 footer	/box /box /box			US\$ US\$ US\$		US\$ US\$ US\$	
				31.46 62.92 70.79		31.46 62.92 70.79	
<b>C Dangerous Cargo</b>  To be charged in accordance with PPA AO No. 02-89 dtd. 8/14/89 and PPA AO No. 01-90 dtd. 03/01/90.							
<b>II NON-CONTAINERIZED CARGO</b>							
1 General Cargo a. Bagged Cargoes (Cargoes in bags, sacks) b. Frozen Cargoes b.1 Unpacked Fish b.2 Fish in Cartons c. Others (Cargoes in crates, boxes, cases, drums, etc.)	/RT /RT /RT /RT /RT	US\$ US\$ US\$ US\$ US\$	4.59 12.18 8.15 4.31	6.12 16.25 10.86 5.75	PHP PHP PHP PHP	346.92 1,118.64 746.94 167.27	462.56 1,491.51 995.92 223.02
2 Heavy Lift a. 5-15 tons b. 16-20 tons c. 21 to 30 tons d. Over 30 tons	/MT /MT /MT /MT	US\$ US\$ US\$ US\$		11.07 14.29 17.44 21.27	PHP PHP PHP PHP	539.26 943.17 1,329.86 1,875.11	
							52

**CARGO HANDLING TARIFFS FOR FOREIGN CARGOES**  
**Tier 1 Ports under the Port Terminal Management Regulatory Framework**

	Unit of Measurement	Vessel Charge (Stevedoring)		Cargo Charge (Arrastre)		Stevedoring Fee	
		Palletized	Non-Palletized	Palletized	Non-Palletized	Palletized	Non-Palletized
3. Steel Products							
a. Billets/Wire Rod Coils	/MT	US\$ 1.55	2.07	PhP 196.47	261.96		
b. Hot Rolled Coils / Coiled Rolled Coils / Galvanized Coils		US\$ 1.55	2.07				
c. Hi-beam / Sheet Piles / Plates / Sheets / Angles		US\$ 2.07	2.76				
d. Pipes		US\$ 2.07	2.76				
4. Logs	/1000 Bd.Ft.	US\$	9.20	PhP	590.00		
5. Lumber	/1000 Bd.Ft.	US\$	11.51	PhP	590.00		
6. Bulk Cargoes	Per Metric Ton	US\$	2.46				
7. Shifting within hatch							150% of applicable rates
8. Shifting from hatch to another or from one hold to dock/pier or barge or vice versa							200% of applicable rates
9. Checking Charge (Shipside Delivery)	/RT			PhP	21.00		21,000
Roll-On and Roll-Off Charges	/RT	US\$	2.02	PhP	236.40	PhP	238,420
Dangerous Cargo							
To be charged in accordance with PPA AO No. 02-89 dtd. 8/14/89 and PPA AO No. 01-90 dtd. 03/01/90.							
NB: The above charges shall be exclusive of equipment except for item 6 i.e. Bulk cargoes where clamshell shall be provided.							
<b>III MISCELLANEOUS CHARGES</b>							
(payable by whoever requested for services)							
<b>A. CONTAINERIZED CARGO</b>							
1. Lifting and closing of hatch covers,lids and supporting beams (non-self sustaining vessels only)	/hatch					US\$	123,338
2. Making fast and letting go lines							
Size of Vessel :							
Less than 10,000 GT	/vessel					US\$	20,176
10,000 - 20,000 GT	/vessel					US\$	23,058
20,000 - 30,000 GT	/vessel					US\$	28,786
Above 30,000 GT	/vessel					US\$	34,550
3. Pier Lighting (night operations - 1800H to 0600H)	/hr					US\$	2,470
4. Reefer Charges (Plug in/out)	/box/hr/traction						
20 footer						US\$	2,022
40 footer						US\$	4,718
Reefer vans for export shall be subject to one (1) hour minimum							
A minimum of six (6) hours shall be imposed on import reefer vans							
20 footer	/box					PhP	545,000
40 footer	/box					PhP	532,100
5. a. B.O. Turnover Survey	gang/hr					US\$	32,005
b. Shoring/Recouping (Labor Cost Only) Materials, subject to the determination of both parties based on actual usage	gang/hr					US\$	13,774

c. Stripping - FCL

/box

PHP

10,040,000

**CARGO HANDLING TARIFFS FOR FOREIGN CARGOES**  
**Tier 1 Ports under the Port Terminal Management Regulatory Framework**

	Unit of Measurement	Vessel Charge (Stevedoring)	Cargo Charge (Arrastre)	Stevedoring Fee	
<ul style="list-style-type: none"> <li>- 100% examination</li> <li>- Over 10% but below 100% exam</li> <li>- BOC Spot Checking exam</li> </ul>	/box /box /box			PhP PhP PhP	10,040,000 5,023,000 1,535,000
6. Equipment Rental (includes operator)				US\$	166,385
a. Shore Crane				US\$	629,196
b. Crane - 100 ton mobile crane minimum of twelve (12) container moves				US\$	
EQUIPMENT HIRE:				US\$	368,481
Crane (Mobile)	100 Tons Capacity			US\$	150,626
Crane	50 Tons Capacity			US\$	86,020
Crane	25 Tons Capacity			US\$	52,853
Crane Container Barge Tango	20 Tons Capacity			US\$	43,010
Forklift	10 Tons Capacity			US\$	23,731
Forklift	3 Tons Capacity			US\$	16,394
Forklift	25 Tons Capacity			US\$	64,495
Toploader	35 Tons Capacity			US\$	86,020
Shifter/Straddle Carrier	25 Tons Capacity			US\$	86,356
Tractor Head				US\$	23,658
Truck, Stake				US\$	16,394
Chassis with Truck/Tractor				US\$	10,406
20 footer	/hr			US\$	20,737
40 footer	/hr			PhP	90,000
c. Pallets (outside rental)	/box				
7. Transferring/storing of dangerous cargoes at the Dangerous Cargo Area (DCA)				PhP	5,517,000
Containerized Dangerous Cargo	/ TEU			PhP	377,000
LCL (non-palletized)	/ RT			PhP	289,000
LCL (palletized)	/ RT				
NB: The charges shall be distinct and in addition to the "premium charges" prescribed under PPA Admin. Order No. 02-39 (Cargo Handling Rate for Dangerous/Onnoxious Cargoes).					
<b>A.1 Penalty Charges for Containerized Cargoes</b>					
Standby Charges				US\$	41,325
a) Manpower	gang/hour				
Applies to vessel operation when labor is engaged to work but cannot work, when causes are attributable to vessels fault, under the following conditions:					
a) waiting for vessel to dock;					
b) breakdown of vessel's gear;					
c) waiting for cargo/truck; and					
d) men engaged but not put to work;					
Standby time charges due to inclement weather shall not apply except when the cargo owner/consignee insists on the deployment of a gang or objects to the knocking off of the gang during or impending inclement weather.					
					55

	Unit of Measurement	Vessel Charge (Stevedoring)	Cargo Charge (Arrastre)	Stevedoring Fee
b) Shore Crane Equivalent to four (4) Container Lifts per hour or fraction thereof	/minute /hr			8,983 179,788
<b>B. NON-CONTAINERIZED CARGO</b>				
1. Line Handling Fee				
Size of Vessel :				
Less than 10,000 GT	/vessel		US\$	19,420
10,000 - 20,000 GT	/vessel		US\$	22,210
20,000 - 30,000 GT	/vessel		US\$	27,800
Above 30,000 GT	/vessel		US\$	33,300
2. Pier Lighting (night operations -1800H to 0600H)	/hr		US\$	2,230
3. a) B.O. Turnover Survey	gang/hr		US\$	31,020
b) Shorting/Recoupling (Labor Cost Only) Materials, subject to the determination of both parties based on actual usage	gang/hr		US\$	13,300
4. Equipment Rental (includes operator)				
a) On-Dock				
Crane (Mobile)	/hr		US\$	375,000
Crane	/hr		US\$	160,000
Crane	/hr		US\$	90,000
Backhoe 1 CBM	/hr		US\$	45,000
Backhoe below 1 CBM	/hr		US\$	35,000
Forklift	/hr		US\$	150,000
Forklift	/hr		US\$	70,000
Forklift	/hr		US\$	65,000
Forklift	/hr		US\$	50,000
Toploader	/hr		US\$	70,000
Shifter/Straddle Carrier	/hr		US\$	90,000
Tractor Head	/hr		US\$	25,000
Truck, Stake	/hr		US\$	20,000
Boat	/hr		US\$	150,000
Hustling Truck	/hr		US\$	125,000
Forklift	/hr		US\$	16,394
c) Outside rental of pallets	/hr		US\$	125,000
3 Tons Capacity	/hr		US\$	
<b>B.1 Penalty Charges for Non-Containerized Cargoes</b> Standby time charges shall be applied on delays beyond the control of the cargo handling operator, only under the following circumstances:				
a) waiting for vessel to dock;				
b) breakdown of vessel's gear;				
c) waiting for cargo/truck/barges;				
d) non-readiness of the vessel; and				
e) gang cancelled by client due to instances other than the above.				



**CARGO HANDLING TARIFFS FOR FOREIGN CARGOES**  
**Tier 1 Ports under the Port Terminal Management Regulatory Framework**

Checker Receiving	/hr	US\$	4,070
Checker Transfer	/hr	US\$	4,070
Clerk	/hr	US\$	3,800
Cooper B.O.	/hr	US\$	3,800
Deliveryman	/hr	US\$	3,800
Electrician	/hr	US\$	3,800
Foreman Delivery	/hr	US\$	4,070
Foreman Receiving	/hr	US\$	4,070
Gatekeeper	/hr	US\$	4,240
Gatekeeperman	/hr	US\$	3,800
Inspector B.O.	/hr	US\$	4,070
Inspector Gate	/hr	US\$	4,240
Lineman	/hr	US\$	3,800
Locator	/hr	US\$	3,800
Locator Van	/hr	US\$	4,070
Mechanic	/hr	US\$	3,930
Mechanic Helper	/hr	US\$	4,070
Moderno	/hr	US\$	3,750
Operator Crane (2)	/hr	US\$	3,750
Operator Forklift	/hr	US\$	4,990
Operator Gantry Crane	/hr	US\$	3,800
Operator Mobile	/hr	US\$	3,750
Operator Tractor	/hr	US\$	4,070
Reefer Technician	/hr	US\$	4,240
Signalman	/hr	US\$	4,150
Special Cargoman	/hr	US\$	3,800
Supervisor	/hr	US\$	3,800
Supervisor B.O.	/hr	US\$	4,330
Superintendent	/hr	US\$	4,330
Truck Driver	/hr	US\$	4,680
Utilityman	/hr	US\$	3,800
Weider	/hr	US\$	3,800
Winchman	/hr	US\$	3,800
Baggage Master	/hr	US\$	3,930

**IV STORAGE FEES FOR OOG CONTAINERS** *(per PPA AO No. 13-2020 dtg Dec. 15, 2020)*

1. Storage Fees for Imported OOG Containers after the FSP of Five (5) Days

Imported OOG	6th - 10th day	11th-15th day	16th-20th day	21st -25th day	26th-30th day	31st day & Beyond
20 footer	1,443.90	1,558.29	1,732.68	1,877.07	2,021.46	2,165.85
40 footer	2,887.80	3,176.58	3,465.36	3,754.14	4,042.92	4,331.70

2. Storage Fees for Exported OOG Containers after the FSP of Four (4) Days

Exported OOG	5th - 6th day	7th - 10th day	11th-15th day	16th-20th day	21st -25th day	26th-30th day	31st day & Beyond
20 footer	180.45	360.90	396.99	433.08	469.17	505.26	541.35
40 footer	360.90	721.80	793.98	866.16	938.34	1,010.52	1,082.70

Note: The above charges are exclusive of VAT.

/10-04-2023

**CARGO HANDLING TARIFFS FOR FOREIGN CARGOES**  
**Tier 1 Ports under the Port Terminal Management Regulatory Framework**

	Unit of Measurement	Vessel Charge (Stevedoring)	Cargo Charge (Arrastre)	Stevedoring Fee	
				US\$	PhP
f) no operations due to weather for non-sensitive cargoes a) On-Board b) On-Dock Standby time charges due to inclement weather shall not apply except when the cargo owner/consignee insists on the deployment of a gang or objects to the knocking off of a gang during or impending inclement weather.	gang/hr			US\$	80,840
c) Other Penalty Charges c.1 mis declared crane capacity c.2 bad cargo stowage c.3 no night time operations (12H operations)	per vessel per vessel per day			US\$ US\$ US\$	20,000,000 20,000,000 20,000,000
d) Opportunity Loss d.1 extended berth stay-attributed to the vessel d.2 non-operating vessel d.3 failure to comply from the scheduled shifting order	per day			US\$	40,000,000
6. Bagging	/MT			PhP	650,000
7. Integrated Bulk, Handling Service Fee	/MT			PhP	100,000
<b>IV. CHARGES ON EXTRA LABOR SERVICES</b>					
1. Gang Services					
a) On-Dock General Cargo Delivery Gang B.O. Turn-over Gang Utility Barge/Delivery Operation Lashing/Unlashing (RO-RO) Lashing/Unlashing Gang Self-Sustained Vessel (Loading/Unloading) Integrated General Cargoes & Units Cleaning Gang	gang/hr gang/hr gang/hr gang/hr gang/hr gang/hr gang/hr gang/hr gang/hr			PhP PhP PhP PhP PhP PhP PhP PhP PhP	1,319,240 1,675,600 1,728,700 2,319,880 1,175,280 2,126,360 3,884,560 4,710,560 11,900,000
b) On-Board Regular Gang Big Gang Mainlighter Gang Lashing/Unlashing/Shoring Discharging Vessel/Barge Operation/Stripping Tandem Lift Cleaning Gang Seguido Gang	gang/hr gang/hr gang/hr gang/hr gang/hr gang/hr gang/hr gang/hr			US\$ US\$ US\$ US\$ US\$ US\$ US\$ US\$	31,580 37,150 22,040 36,620 68,990 137,990 31,580 70,000
2. Personnel Services					
Antigo	/hr			US\$	3,800
Batterman	/hr			US\$	3,930
Cabo	/hr			US\$	3,930
Cabo B.O.	/hr			US\$	3,930
Carpenter	/hr			US\$	3,800
Checker Posting B.O.	/hr			US\$	3,800
Checker Delivery	/hr			US\$	4,070
Checker Posting	/hr			US\$	4,070

## **Annex “D”**

**PMO Panay/Guimaras  
BASEPORT ILOILO COMMERCIAL PORT COMPLEX  
MINIMUM CARGO HANDLING EQUIPMENT**

<b>DESCRIPTION</b>	<b>UNIT</b>	<b>CAPACITY</b>	<b>Required Deployment of Equipment</b>
Forklift	2	28Tons	At the commencement of the contract
Forklift	2	25Tons	At the commencement of the contract
Forklift	1	18 Tons	At the commencement of the contract
Forklift	1	5 Tons	At the commencement of the contract
Forklift	1	3 Tons	
Prime Mover with Chassis	3	Standard	At the commencement of the contract
Prime Mover with Chassis	3	Standard	Within 6-12 months
Bagging Machine	6	20 Tons	At the commencement of the contract
Conveyor	6	Standard	At the commencement of the contract
Clam Shell	6	5 tons	At the commencement of the contract
Elf Garbage Truck	1	Standard	At the commencement of the contract

**NOTE:**

Additional port equipment as deemed necessary to ensure efficient and uninterrupted port operations may be provided by the Terminal Operator at any given time within the duration of the contract.

**MINIMUM CARGO HANDLING GEARS**

DESCRIPTION	UNIT	CAPACITY
Spreader	4	40 ftr
Spreader	6	20 ftr
Spreader	2	10 ftr
Cable wire	10	2" dia.
Cable wire	24	1-1/2" dia.
Cable wire	10	1" dia.
Cable wire for loose cargo	12	3/4" dia.
Hook	10	16 tons
Hook	24	11 tons
Hook	10	4.5 tons
Shackle	10	10 tons
Shackle	24	5 tons
Shackle	10	3 tons
Cargo Net (for general cargo)	10	5ft x 6ft
Cargo Net (for general cargo)	10	8ft x 10ft
Save-All-Net	6	14ft x 20ft
Tarpaulin	20	20ft x 30ft

**NOTE:**

Additional cargo handling gears as deemed necessary to ensure efficient and uninterrupted port operations may be provided by the Terminal Operator at any given time within the duration of the contract.

## MINIMUM REQUIREMENTS FOR SAFETY HEALTH AND ENVIRONMENT

DESCRIPTION	UNIT	CAPACITY
Fire Truck	One (1)	Tank capacity – 5 cu.m.;  Fire hose capacity – 250 gals per minute with a minimum length of 100 ft.  Complete with basic fire fighting equipment and accessories
Fire Alarm System	One (1)	Sound can be clearly heard in the entire port area.
Fire-fighting Equipment Cabinet equipped with the following items, accessible in case of fire:	One (1) per open storage area and One (1) per shed storage area	Steel
<ul style="list-style-type: none"> <li>Fire extinguisher</li> </ul>	Four (4)	20 pound cylinder capacity, full-content, multi-purpose type, in good operable condition.
<ul style="list-style-type: none"> <li>Sand Drum filled with sand</li> </ul>	Three (3)	1/2 size of 55 gal drum, with cover, painted red, with the marking of "FOR FIRE USE ONLY".
<ul style="list-style-type: none"> <li>Water Drum filled with water to the Brim</li> </ul>	Two (2)	55 gal drum, with cover, painted red, with the marking of "FOR FIRE USE ONLY".
<ul style="list-style-type: none"> <li>Shovel per sand drum</li> </ul>	Three (3) pieces	Brand new
<ul style="list-style-type: none"> <li>Fire Ladder</li> </ul>	One (1)	Extendable, (any material)
<ul style="list-style-type: none"> <li>Fire Axe per structure</li> </ul>	Two (2) pieces	Long handle
<ul style="list-style-type: none"> <li>Buckets per water drum</li> </ul>	Six (6) pieces	Each painted red, with the marking of "FOR FIRE USE ONLY" and placed adjacent to water drum.

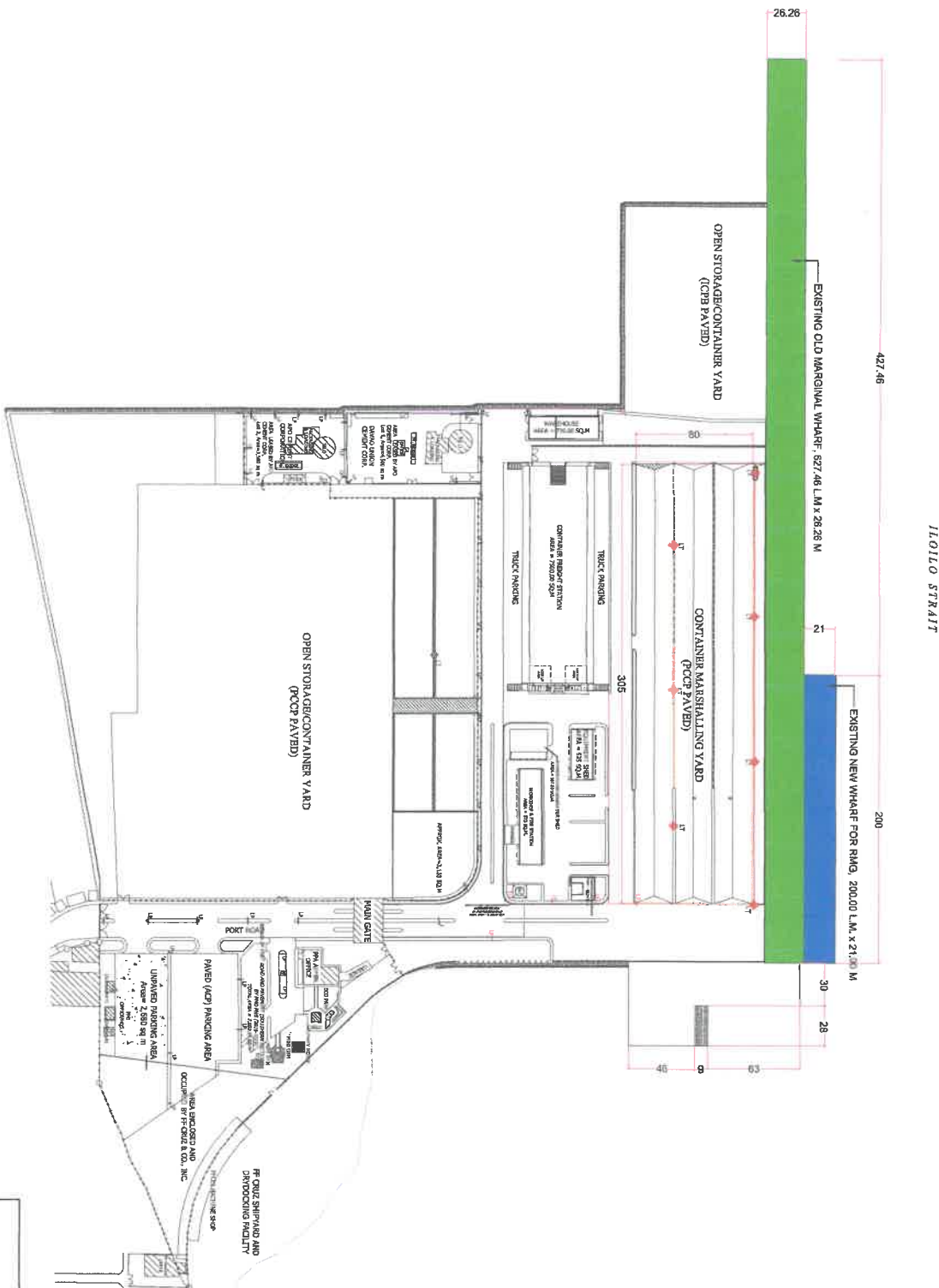
<b>For Dangerous Cargo Area</b>		
Fire Extinguisher	Two (2) cylinders	50 pound capacity, carbon dioxide type, wheel-type
Fire Extinguisher	One (1)	50 pound capacity, HCFC 123 type, wheel-type.
<b>Water Life-Saving Equipment/Safety Equipment</b>		
<b><i>Multi-Cab ERT (Standard Capacity)</i></b>	One (1)	Required at the start of the operation
Ring buoy with pulling rope and holder	Three (3)	Orange, plastic or similar, strategically located each, visible at all times.
Portable quay-side ladder	One (1)	Aluminum
Life Jacket	One (1) per line handler	Orange with flashing light and whistle
<b>Personal Protective Equipment</b>		
Hard Hat, color-coded	One (1) per stevedore/worker	DOLE/OSHC/BWC Standard
High-Visibility Clothing	One (1) per worker	One reflectorized stripe per sleeve and two around the body.
High-Visibility Pants	One (1) per worker	With two reflectorized stripe
Dust Mask	One (1) per worker	DOLE/BWC standard
Safety Shoes, steel-toe	One (1) per worker	DOLE/BWC standard
Eye Protector	One (1) per worker	DOLE/BWC standard
Gloves - - Leather for steel cargo - Industrial Denim for Lumber - Leather for hook/unhook of cable	One (1) per worker	DOLE/BWC standard
<b>Handling Toxic Substance/Cargo</b>		
Face Shield for Chemical with Respiratory protection	One (1) per worker	DOLE/BWC standard
Chemical Gloves	One (1) per worker	DOLE/BWC standard
<b>Chemical Spill Kit Response Equipment</b>		
Sacks and Brooms	12 pairs	
Pillows or equivalent absorbent materials	24 pcs	
Disposable Bags	30 pcs	
Gloves for chemical	6 pairs	
Goggles	6 pcs	
Coveralls	6 pcs	
Non-sparking shovel	6 pcs	
Floor-Stand spill sign	6 pcs	
Spill liquid container	6 pcs	

Spill liquid cleaner	6 gal	
<b>Other Safety Signage</b>		
Traffic Sign, Directional	6	Portable, standard
Speed Limit sign	6	Portable, standard
Caution Sign	6	Portable, standard
Danger Sign	6	Portable, standard
NO ENTRY sign	6	Portable, standard
NO SMOKING sign	6	Portable, standard
PARKING AREA sign	6	Portable, standard
NO PARKING sign	6	Portable, standard
ENVIRONMENTAL sign	6	Portable, standard
<b>Work Environment Measurement Instrument</b>		
Lux meter	1	
Vane Anemometer	1	
Temperature Meter	1	
Sound Meter	1	
Oxygen Meter (confined space/cargo hold use)	1	
Self-contained Breathing Apparatus	2 SETS	
Carbon Monoxide Meter (RORO vessel compartment use)	1	
Public address system operations area	1 SET	
Alarm system for operations area	1 SET	
<b>First Aid Equipment</b>		
Stretcher	1	
Spine Board	1	Plastic
First Aid supply and equipment		Per PPA requirement
Foldable Tent	1	
<b>Environmental Requirements</b>		
Materials Recovery Facility	1	At least 3 compartments (plastic, paper, glass/metal)
Color-Coded Waste Receptacles	6 sets (to be placed in ideal locations inside the port premises)	At least 3 for each set (biodegradable, non-biodegradable/residual, blue) and with provision to add 1 for hazardous waste and 1 for clinical/medical waste.
Hazardous Waste Storage Facility	1	Provide and maintain the temporary storage, handling, and management of hazardous wastes before proper disposal by a DENR-EMB accredited transporter.

**SERVICE VEHICLE**

<b>SERVICE VEHICLE</b>	<b>UNIT</b>	<b>CAPACITY/ SPECIFICATION</b>
Service Vehicle	1	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 / 70 R16C Wheels (size) : 7J x 16





PORT STRUCTURAL CAPACITY			
STRUCTURE ID	STRUCTURE TYPE	LOADINGS	
RC WHARF EXTENSION		LIVE LOADS	TRANSFER CRANE
RC WHARF FOR RMG CRANE		2.4 ton/m <sup>2</sup>	✓
		3.6 ton/m <sup>2</sup>	✓



## ***Section IV. Bidding Forms***

## **TABLE OF CONTENTS**

<b>Bid Form 1</b>	<b>Letter of Intent</b>	<b>68</b>
<b>Bid Form 2</b>	<b>Omnibus Sworn Statement</b>	<b>69</b>
<b>Bid Form 3</b>	<b>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</b>	<b>72</b>
<b>Bid Form 4</b>	<b>Statement of Prospective Bidder's participation in all ongoing selection and award of Port Terminal Management Contracts but which have not yet been awarded</b>	<b>74</b>
<b>Bid Form 5</b>	<b>Statement of Prospective Bidder's completed, ongoing, and awarded but not yet started infrastructure contracts</b>	<b>75</b>
<b>Bid Forms 6</b>	<b>Technical Bid Submission Form</b>	<b>77</b>
<b>Bid Form 7</b>	<b>Names of Key Personnel with their complete qualification and experience data</b>	<b>79</b>
<b>Bid Form 8</b>	<b>Financial Bid Submission Form</b>	<b>80</b>
<b>Bid Form 9</b>	<b>Proposed Concession Fee for the Terminal Management Operations at the Port subject of the bidding process</b>	<b>82</b>

## 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 <sup>[SEP]</sup>at **(address of Bidder)**;*

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

2. *Select one, delete the other:* <sup>[SEP]</sup>

*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)]*; <sup>[SEP]</sup>*

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;

12. 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)**.

13. That the **(Name of Bidder)** shall conduct site inspection in the Port of \_\_\_\_\_;

14. 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)***

**BID FORM-03**

**STATEMENT OF COMPLETED, ON-GOING, AND AWARDED BUT NOT YET STARTED PORT TERMINAL  
MANAGEMENT/CARGO HANDLING CONTRACTS WITHIN THE LAST TEN (10) 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
<b>COMPLETED</b> [for the last ten (10) years ]						
1.						
2.						
3.						
<b>ON-GOING CONTRACT</b>						
1.						
2.						
3.						
<b>AWARDED BUT NOT YET STARTED</b>						
1.						



2.									
3.									

ON-GOING BIDDING BUT NOT YET AWARDED									
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

\_\_\_\_\_  
(Name of Firm)

By:

\_\_\_\_\_  
(Name and Signature of Authorized Signing Official)

Date: \_\_\_\_\_

**BID FORM-04**

**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
<b>COMPLETED</b>						
1.						
2.						
3.						
<b>ONGOING</b>						
1.						
2.						
3.						
<b>AWARDED BUT NOT YET STARTED</b>						
1.						
2.						
<b>ON-GOING PROCUREMENT FOR</b>						

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 with attached Bill of Quantities whose major items of work are similar to the requirement under the Investment Commitment.

By: \_\_\_\_\_

(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 Head			
Engineering Head			
Finance/Accounting Head			
Port Security Head			
Admin/HR Head			
Harbor Master			
Environmental Specialist			
Chief Safety Officer			
Plant Supervisor			

*(Fill-out attached form)*

Person Managing the Company:

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

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

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

### II. COMPLETED AND ON-GOING CH OR PORT RELATED SERVICE CONTRACTS AND PERMITS: (for the last \_\_\_\_\_ (\_\_\_\_) years or such period prescribed by the BAC)

Name of Contracting Parties	Nature of Contract/ Permit*	Location/Area of Operation	Date Issued	Date Expired

• Attach copy of Contract/Permit

\_\_\_\_\_  
*(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 \_\_\_\_\_ FOR THE DURATION OF THE CONTRACT**

PROPOSED CONCESSION FEE		
Schedule of Payment	AMOUNT IN FIGURES	AMOUNT IN WORDS
Year 6		
Year 7		
Year 8		
Year 9		
Year 10		
<b>TOTAL AMOUNT</b>	<b>Php</b>	

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**

<b>TECHNICAL COMPONENT/FIRST ENVELOPE:</b>	
<b>I. ELIGIBILITY DOCUMENTS</b>	
<b>A. LEGAL</b>	
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 (Large B – Port Harbor and Offshore Engineering) 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>B. TECHNICAL</b>	
1.	Statement of the Bidder's Completed, Ongoing, and Awarded but not yet started port terminal management/cargo handling contracts within the last ten (10) 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 Part must have experience of having a Completed Contracts 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.
5. Experience in operating a terminal that is similar or of greater size than the port subject of this bidding. This relevant experience must show that the bidder handled foreign containerized and non-containerized cargo for a minimum of ten (10) years.
6. Experience in undertaking similar rehabilitation and construction works that it proposes to undertake as part of its Port Development Plan.
<b>C. FINANCIAL CAPABILITY</b>
1. The Paid-Up Capital shall not be less than thrice the minimum Year 6 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 Year 6 of the Port Terminal Management Contract.
<b>II. TECHNICAL BID SUBMISSION FORM</b>
<b>III. BID SECURITY</b>
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
<b>IV. PROPOSED ORGANIZATIONAL CHART for the Port Terminal Management Contract to be Bid</b>
<b>V. NAMES OF KEY PERSONNEL with complete qualification and experience data</b>
<b>VI. PORT DEVELOPMENT PLAN/BUSINESS PLAN, which shall include the following:</b>
a. Infrastructure Investment and Maintenance Program, including rehabilitation and construction activities during the first two (2) years of operation and expansion plan in the event cargo demand breaches the Port's operating capacity

	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 Program
	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
<b>FINANCIAL COMPONENT (SECOND ENVELOPE)</b>	
I.	FINANCIAL BID SUBMISSION FORM
II.	PROPOSED CONCESSION FEE

## ***Section VI. Pro-forma Contract***

**PORT TERMINAL MANAGEMENT CONTRACT**  
**PORT 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**".

**W I T N E S S E T H**

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 Revenue Share, Fixed Fees and Variable Fees:

#### (a) Revenue Share

For the first five (5) Contract Years beginning on the effectivity of the PTMC, the PTMO shall remit to the PPA a twenty percent (20%) share of its annual gross revenues from all sources, payable not later than the fifth (5<sup>th</sup>) day of the first month of every quarter without the need of demand.

#### (b) Annual Fixed Fee which shall be as follows:

Year of Contract	Yearly Fixed Fees
6	Php
7	Php
8	Php
9	Php
10	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 OPERATOR shall remit a fixed annual concession fee to the PPA for Contract Years 6 to 10 as submitted in its financial bid, payable not later than the (5<sup>th</sup>) day of the first month of every quarter without the need of demand

#### (c) Concession Fee Escalation

On year 11, and every three (3) years thereafter, the concession fee shall be increased based on the Consumer Price Index (CPI) adjustment factor using the formula below:

*Formula:*

$$\text{Concession fee} = \text{Concession Fee of the Current Year} \times \frac{\text{CPI (All Items) Philippines NEW}}{\text{CPI (All Items) Philippines OLD}}$$

*Where:*

*CPI (All Items) Philippines NEW = the CPI of the immediately preceding Contract Year*

*CPI (All Items) Philippines OLD = the CPI of the contract year the last concession fee was increased*

*However, the CPI (All Items) Philippines OLD for Year 11 concession fee computation shall be based on the CPI of the 7<sup>th</sup> year of the Concession Contract*

The concession fee for Years 11 – 25 shall be payable not later than the fifth (5<sup>th</sup>) day of the first month of every quarter without the need of demand.

- (d) **Annual Variable Fee for Years 6 to 25** - The OPERATOR shall remit to the Authority a variable fee under the following circumstances:

In addition to the yearly concession fee, a twenty percent (20%) variable fee shall be remitted by the PTMO if the actual traffic volume exceeded the volume threshold by ten percent (10%). The volume threshold for Year 6 shall be based on the highest throughput for the last 5 years.

The volume threshold shall thereafter be increased yearly based on the average percentage increase on traffic for Contract Years 1 to 5.

The OPERATOR shall remit to the AUTHORITY the Variable Fee quarterly, not later than the fifth (5<sup>th</sup>) day of the first (1<sup>st</sup>) 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) Investment in Port Infrastructure
- (2) Maintenance of Port Infrastructure and Equipment
- (3) Container Terminal Management
- (4) Passenger Terminal Management
- (5) Stevedoring (which includes arrastre) and related services
- (6) Anchorage Operation
- (7) Berthside operations and berth management
- (8) Storage management
- (9) RORO cargo services

(b) Non-Core Services:

- (1) Bagging services
- (2) Reefer facilities/services
- (3) Portage services
- (4) Water distribution services
- (5) Weighbridge services
- (6) Waste and 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 fully comply with the commitments and conditions to finance, develop, manage, operate, and maintain the Port Operational Area in accordance with the Port Development Plan.

The Port Development Plan may be revised by the OPERATOR to ensure that the commitments contained therein and in this Contract, continue to achieve key performance indicators under this Contract, and allow the OPERATOR the opportunity of a fair return of investment. Provided that, any revision to the Port Development Plan shall require prior approval by AUTHORITY. In all cases, the OPERATOR shall furnish the AUTHORITY with a copy of the revised Port Development Plan.

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 Construction of the Works – The OPERATOR shall construct and complete the Works in accordance with the requirements and design contained in the Port Development Plan and in compliance with all relevant rules and procedures, the environmental standards and prudent industry practice. The AUTHORITY shall have the right to monitor the progress of the Works.

Section 4.06 Certificate of Acceptance – The AUTHORITY shall conduct an inspection to determine whether the Works performed by the OPERATOR is in accordance with the Port Development Plan and prudent industry practice.

The AUTHORITY, upon its determination that the Works satisfy the design and construction under the Port Development Plan, shall issue a Certificate of Final Acceptance.

Any review by the AUTHORITY of the Works shall not relieve the OPERATOR of any of its obligations under this Contract.

a. **Certificate of Provisional Acceptance** – If the AUTHORITY determines that the Works substantially comply with the Port Development Plan, and unless the OPERATOR is in material breach of any of its material obligations under this Contract, then the AUTHORITY shall issue a Certificate of Provisional Acceptance subject to the rectification of the defects in accordance with this Section.

Following the issuance of a Certificate of Provisional Acceptance, the OPERATOR shall be permitted to start operations of the relevant Works. Notwithstanding the issuance of a Certificate of Provisional Acceptance, the OPERATOR shall remain obliged to carry out the Works contemplated under this Section until a Certificate of Final Acceptance is issued.

b. **Punch List Rectification Program** – The OPERATOR shall send to the AUTHORITY, for approval, within ten (10) days of receipt of a Certificate of Provisional Acceptance:

1. A program specifying how it intends to rectify the Punch List Items specified in the Provisional Acceptance Certificate; and
2. The timetable for rectifying Punch List Items identified.

c. **Rectification of Punch List Items** – The OPERATOR shall rectify Punch List Items relating to the relevant Works in accordance with the approved Punch List Rectification Program and shall notify the AUTHORITY when the same has been rectified.

d. **Failure to Rectify Defects** – Without prejudice to any other right the AUTHORITY may have under this Contract, if the OPERATOR fails to rectify any Punch List Items for which it is responsible in accordance with the approved program:

1. The AUTHORITY shall, upon reasonable notice to the OPERATOR, be entitled to have the Punch List Items in question corrected; and
2. The OPERATOR shall no later than (30) days after the AUTHORITY's demand therefor, reimburse the reasonable costs and expenses of the AUTHORITY in so doing, and the AUTHORITY shall be entitled to forfeit the Performance Security in the event that the amounts to be reimbursed have not been paid after the expiration of the thirty (30) day period.

e. **Occurrence of Delay** – If any Delay occurs, the OPERATOR shall promptly notify the AUTHORITY:

1. The cause of the Delay;
2. Its estimate of the impact of the Delay on the probability that the timeline of the relevant Phase Works will be met; and
3. The action it has taken or proposes to take to mitigate the effects of the Delay

f. **Communications** – The OPERATOR shall provide regular updates to the AUTHORITY no less frequently than monthly of the notifications provided under Section 4.11(e) (*Occurrence of Delay*) including as to the effects of the incident, the likely delay to be caused thereby and the steps that it is taking or proposes to take to mitigate the effects of the incident.

The provision of notification under Section 4.11(e) (*Occurrence of Delay*) and updates under this Section and the use by the OPERATOR of all reasonable efforts to overcome or mitigate the Delay are conditions precedent to the OPERATOR entitlement to any adjustment of any Milestones.

The AUTHORITY may, *moto proprio*, send a communication to the OPERATOR indicating any delay in the Works if applicable or in the performance of the Services notwithstanding the lack of any communication from the OPERATOR informing the AUTHORITY of any delay.

g. **Mitigation of Delay** – The OPERATOR shall take all reasonable actions necessary to mitigate the consequences of a Delay and resume performance of its obligations as soon as practicable. For the avoidance of doubt, the OPERATOR shall not be relieved of its obligations under this Contract for those aspects that are not affected by a Delay.

h. **Delay Events**

1. An "OPERATOR Delay Event" is a Delay that is not caused by a Material Adverse Government Action, or a Force Majeure Delay Event.

2. A "Force Majeure Delay Event" is a delay caused by a Force Majeure Event, provided that the affected Party has used all reasonable endeavours in accordance with this Contract to overcome or mitigate the effects of such event.
3. Upon occurrence of an OPERATOR Delay Event, the OPERATOR shall provide a written notice to the AUTHORITY, within fifteen (15) days from the occurrence of the Delay. The AUTHORITY may also notify the OPERATOR, in writing, of any OPERATOR Delay Event within fifteen (15) days from discovery or knowledge by the AUTHORITY.

i. **Consequences of OPERATOR Delay Event** – The AUTHORITY shall be entitled to receive compensation from the OPERATOR in an amount at least equal to one-tenth of one percent (1/10 of 1%) of the unperformed portion of the Works for each day of Delay.

If the OPERATOR fails to compensate the AUTHORITY within ten (10) days from demand, the latter shall be entitled to interest in accordance with the existing rules and regulations of the AUTHORITY, and to forfeit the Performance Security.

When the OPERATOR's obligation to compensate the AUTHORITY has reached an amount equivalent to ten percent (10%) of the development costs, the same shall be a ground for the cancellation or termination of this Contract.

The payment of the above liquidated damages shall be without prejudice to other rights of the AUTHORITY, which it may have under this Contract.

j. **Consequences of a Force Majeure Delay Event** –

If the OPERATOR incurs Delay due to a Force Majeure Delay Event, the OPERATOR shall be entitled to: (a) an extension equal to the time during which the OPERATOR is unable to perform such action as a direct and proximate cause of the force majeure, provided that it pays the applicable Concession Fee during the said extension, and (b) the applicable Concession Fee shall be reduced in proportion to the period equivalent to that during which there was Force Majeure and the OPERATOR was prevented from managing and operating the Port Operational Area, and generating revenue therefrom.

Not later than thirty (30) days after the OPERATOR, as the direct and proximate result of a force majeure, has become unable to perform its obligations under this Contract, the Parties shall consult with each other with a view to agreeing on appropriate measures considering the circumstances.



k. **Subcontracting –**

The OPERATOR shall have full responsibility for the completion of the Project and the financing, operation and maintenance of the Port Operational Area and shall remain fully liable to the AUTHORITY for the performance of the Services.

Except for the actual construction and development obligations, the core functions shall in no case be sub-contracted out by the OPERATOR.

The OPERATOR may, subject to the prior approval of the AUTHORITY, sub-contract, hire or designate a third-party to perform the non-core functions. Provided, however, that the OPERATOR shall hold the AUTHORITY free and harmless from any and all liabilities, cause or causes of action and claims which may be filed by a third party, its personnel, agents or representatives arising from, or in connection with the rendition of services by a sub-contractor under this Contract. Provided further, that the sub-contracts shall not exceed the Concession Period. Provided finally, that the sub-contract shall include a provision that the AUTHORITY shall, in its discretion, have the right to pre-terminate the same in case this Contract is cancelled or terminated.

The OPERATOR shall remain responsible for the acts and omissions of any Sub-contractor in its capacity as such, as if they were the OPERATOR's own acts or omissions

Section 4.07 – **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 4.08 – **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		Rates must be indicative of service time and not vessel stay time
B. Tramping		
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>
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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 4.09 – **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 4.10 – **Dredging** – The OPERATOR shall be responsible for, and shall bear the cost of maintenance 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 4.11 – **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 4.12 – **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 4.13 – **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 4.14 – **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 4.15 – **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 4.16 – **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 4.17 – **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 4.18 – **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 4.19 – **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 4.20 – **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 VISITORIAL POWERS**

Section 7.01 **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 VIII PROHIBITION AGAINST ASSIGNMENT AND TRANSFER OF CONTACT**

Section 8.01 **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 IX SUSPENSION CANCELLATION OR TERMINATION OF CONTRACT AND DAMAGES**

Section 9.01 **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 9.02 – 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 9.03– 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 9.04– 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 9.05– 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 9.06– **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 9.07– **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 9.08 – **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 X**

### **VENUE OF ARBITRATION AND LITIGATION**

Section 10.01 – **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 XI

### MISCELLANEOUS PROVISIONS

Section 11.01 – **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 11.02 – **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 11.03 – **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 11.04 – **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 11.05 – **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 11.06 – **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 11.07 – **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 11.08 – **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 11.09 – **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 11.10 – **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 11.11 – **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 XII**

### **ENTIRE AGREEMENT, AMENDMENTS AND SUPPLEMENTS**

Section 12.01 – **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 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:**