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PRESCRIBING PPA PERFORMANCE STANDARDS AND RATING SYSTEM FOR CARGO HANDLING CONTRACTORS AND PROVIDING SANCTIONS THEREFOR

PPA ADMINISTRATIVE ORDER NO. 13-96, September 12, 1996

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I

Authority

1.1 Secs. 2 (a) and (b), Article II; 6 (a), (iii) and (x), Article IV; and Sec. 26 (a), Article VIII of P.D. 857, Revised Charter of PPA.

1.2 Sec. 12.04 of PPA A.O. No. 10-81 dated 13 April 1981, General Conditions on all Contracts/Permits for the Management and Operations of Cargo Handling Services.

1.3 Pertinent provisions of Cargo Handling Contracts concluded pursuant to:

> 1.3.1 PPA M.C. No. 08-88 dated 08 February 1988 prescribing Policies on the Cargo Handling Contract System;
>
> 1.3.2 PPA M.C. No. 32-88 dated 13 October 1988 providing Supplemental Guidelines in the Evaluation of Applications for Renewal of Contracts or Permits to Operate Cargo Handling and Other Related Services in the Port;
>
> 1.3.3 PPA A.O. No. 03-90 dated 14 May 1990 stipulating the Implementing Guidelines on the Cargo Handling Contract System; and,
>
> 1.3.4 PPA A.O. No. 10-95 dated 13 January 1995 prescribing Guidelines on the Revocation/Cancellation of Contract/Permit for Cargo Handling Services or Cargo Handling Contract Recall (CHCR).

II

Title/Definition

2.1 This Administrative Order, which establishes the Performance Standards (Appendix I[*]) and Rating System (Appendix II[*]), shall henceforth be known and cited as the PPA "Performance Standards and Rating System for Cargo Handling Contractors (PSRS)."

2.2 "Performance Standards" refers to the obligation of the cargo handling Contractor to operate cargo handling/related service as provided in their contract/permit/Hold-Over Authority and/or as prescribed by PPA rules and other government regulations.

2.3 "Rating System" is the process by which the level of performance of the cargo handling Contractor is measured according to the standards set by the Authority.

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III

Purpose

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

IV

Scope

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

V

Objectives

5.1 To professionalize the management and operations of cargo handling/related services.

5.2 To instill greater discipline in the management and operation of cargo handling/related services.

5.3 To enhance the efficiency, safety and economy of the management and operations of cargo handling/related services.

5.4 To rationalize the grounds for the cancellation or termination of cargo handling contracts/permits.

VI

Guidelines

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

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

> 6.1.1 Refusal of the Contractor to make available to COA auditors or PPA officials (who are vested with authority to conduct audit) its books of accounts and other documents for inspection and examination as provided in its contract/permit.
>
> 6.1.2 Refusal of the Contractor to submit to PPA supervision, inspection and/or overseeing by the Authority and/or its duly authorized representative.
>
> 6.1.3 Failure of the Contractor to provide and maintain existing and committed equipment stated in its contract.
>
> 6.1.4 Failure of the Contractor to attain the committed annual production rates as provided in its contract, taking into account obtaining operational conditions.
>
> 6.1.5 Failure of the Contractor to remit any two (2) monthly committed fee installments and/or government share from due date.
>
> 6.1.6 Failure of the Contractor to pay to its employees, laborers, stevedores and dockworkers salaries or wages in accordance with the minimum wage law or failure to remit premiums to SSS, Medicare and fringe benefits as their obligations fall due.
>
> 6.1.7. Failure of the Contractor to post the prescribed performance bond within one (1) month after the execution of the contract or renew the same within one (1) month upon expiration of said bond.

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6.1.8 Change of control of the company/firm arising from its sale, assignment, transfer or sub-contract or other disposition of capital stock by the Contractor without the prior written consent/approval of the Authority.;

6.1.9 Involvement/Participation of the Contractor in smuggling or related activities through any of its corporate officers and ranking management officials or employees from the rank of supervisor or higher and by taking advantage of their free access to the port premises and the vessels calling at the port resulting to the prejudice of the PPA, port users or other concerned.

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

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

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

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

VII

Incentives

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

VIII

Sanctions

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

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

IX

Separability Clause

If for any reason, any section or part of this Order is declared unconstitutional or invalid by competent authority, the declared invalid section or part thereof shall not affect the other sections or parts to which such declaration or nullity does not apply or relate.

X

Repealing Clause

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

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XI

Effectivity Clause

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

Adopted: 12 Sept. 1996

(SGD.) CARLOS L. AGUSTIN
General Manager

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[*] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Q.C.

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