

**[PPA ADMINISTRATIVE ORDER NO. 3-2000,
February 15, 2000]**

**REVISED GUIDELINES IN THE CONDUCT OF PUBLIC BIDDING
AND COMPARATIVE EVALUATION FOR CARGO HANDLING
SERVICES**

1. AUTHORITY

1.1 Sections 6a (ii), (iii) and (v), and b (vi), Presidential Decree No. 857, as amended.

1.2 PPA Board Resolution No. 912, as adopted on December 17, 1987, re: Policy on the Cargo Handling Contract System.

1.3 PPA Board Resolution No. 1797, as adopted on 11 October 1999, re: Revised Delegation of Authority for Operations Office.

2. SCOPE

This Order shall govern the public bidding and comparative evaluation in the award of cargo handling services in government ports under PPA jurisdiction.

3. OBJECTIVES

3.1 To improve the conduct of public bidding and the procedures on comparative evaluation in the award of cargo handling services.

3.2 To serve as guide in the conduct of public bidding and comparative evaluation for cargo handling and related services.

4. POLICY STATEMENTS

4.1 Cargo handling services shall be subject to public bidding or comparative evaluation.

4.2 Contract for cargo handling services of more than three (3) years shall be awarded thru public bidding.

4.3 Cargo handling permits of three (3) years and below in ports where the average annual cargo throughput for the last five (5) years did not exceed 30,000 metric tons and the operations is primarily manual shall be awarded thru comparative evaluation.

5. GUIDELINES FOR PUBLIC BIDDING

5.1 *When To Conduct Public Bidding* - The Port Manager concerned shall recommend to the District Manager the conduct of the public bidding for cargo handling services at least six (6) months before the expiry of the contract and a

comparative evaluation at least three (3) months before expiry of the permit to operate.

5.2 *Prequalification, Bids and Awards Committee (PBAC) and Its Functions*

5.2.1 Constitution of the PBAC - A PBAC is hereby constituted for the conduct of public bidding for cargo handling services with the following members or as may be determined by the General Manager:

Chairman	-	District Manager
Vice Chairman	-	Port Manager
Members	-	Manager, Legal Affairs Division
	-	Manager, Port Services Division
	-	Private Sector (nominated by the Port Management Advisory Council [PMAC])
Observer	-	COA Resident Auditor or Representative
	-	Head Office: Managers of POSD and LSD, or authorized representatives.

5.2.2 Functions of the PBAC - The PBAC thus constituted shall have the following functions:

- a) Prepare the Terms of Reference (TOR) and the Instructions to Bidders (ITB) for the specific port subject to bidding, using as guide the pro-forma TOR and the ITB provided in Annex "A" and "B," respectively.
- b) Prepare bid documents, forms and related requirements.
- c) Cause the publication of the "Invitation To Prequalify And To Bid" in newspaper of general/national circulation for ports with contracts of five (5) years and above and in local newspaper for other ports with contracts of less than five years.
- d) Determine the cost of bid documents and forms to be paid by the interested applicants.
- e) Review the completeness of documentary requirements and evaluate the same using the prequalification/selection factors.
- f) Send appropriate notices to prequalified applicants and disqualified bidders.
- g) Receive sealed bids for the "Technical Offer" and the "Financial Offer."
- h) Open, initial/sign all pages of the bids and evaluate the same.

- i) Recommend the winning bidder to the General Manager for approval.
- j) Send "Notice of Award" upon approval of the General Manager to the winning bidder and inform the losing bidder/s including the return of unopened bids and bidder's bonds.
- k) Prepare the cargo handling contract using the suggested pro-forma contract attached as Annex "C " hereof for review and approval by Head Office pursuant to the "Revised Delegation of Authority."
- l) Send the corresponding "Notice to Commence Operations" to the winning bidder.
- m) Promulgate necessary supplementary issuances pertinent to the bidding process to address peculiar conditions and situations in the port.
- n) Keep records of its proceedings.
- o) Perform other PBAC-related functions as may be urgent and necessary to carry out the expeditious conduct of the bidding.

5.2.3 Designation of the PBAC Secretariat - The Chairman of the PBAC shall designate a Secretariat to assist in carrying out the tasks and functions of the PBAC.

5.3 *Bidding Procedures* - The procedures in the conduct of any public bidding for cargo handling services shall be as follows:

5.3.1 Invitation to Bid and Prequalify - The PBAC shall cause the publication of the "Invitation to Prequalify and Bid" in a newspaper of general/national circulation for a bidding of cargo handling services in ports with contracts of five (5) years and above, and in local newspapers for other ports with contracts of less than 5 years, at least once a week for two (2) weeks. At the same time, copies of the "Invitation" shall be posted in conspicuous places at the PDO, PMO and the port or terminal subject to bidding.

5.3.2 Prequalification Forms - The PBAC shall provide interested bidders with "PB Form 1" for purposes of prequalification for the public bidding.

5.3.3 Prequalification of Interested Bidders - The PBAC shall prequalify responding bidders by evaluating their prequalifications using, among others, such factors like completeness and authenticity of required legal financial and other documents submitted, minimum requirements for paid-up capital, working capital and bank deposit (where applicable), primary purpose of the company/firm and other relevant information and data to establish that such applicants are qualified to participate in the public bidding.

5.3.4 Bid Forms - The PBAC shall provide the corresponding forms to the prequalified bidders "PB Form 2" for the Technical Offer and "PB Form 3"

for the Financial Offer after payment of the prescribed fees.

5.3.5 Pre-Bid Conference - The PBAC shall conduct pre-bid conference/s with prequalified bidders to discuss the requirements and the conduct of the public bidding, including the "floor" estimate for the Financial Offer.

5.3.6 Submission of Technical and Financial Bids - The prequalified bidders shall be required to submit two (2) separate sealed envelopes each for the "Technical Offer" using "PB Form 2" with all its document requirements therefore and the "Financial Offer" using the "PB Form 3", on the date, time and place prescribed for submission.

5.3.7 Bid Security/Bond - The bid security in the form of cash or manager's/cashier's check in the name of PPA encashable in venue to be prescribed by PBAC shall be included in the envelope containing the Financial Offer. This is to guarantee that the winning bidder, if awarded, shall enter into a contract with the Authority.

5.3.8 Floor and Ceiling Estimates for Financial Offer - The "ceiling" estimate shall not be announced/revealed by the PBAC until immediately before the opening of sealed Financial Offer.

5.3.9 Opening and Evaluation of Technical and Financial Offers - On the date specified for the opening of bids, the PBAC shall open, review and evaluate the Technical and Financial Offers and determine whether the technical and financial capability and other bidding requirements comply with the set criteria to select the most qualified bidder to manage and operate such services in the port subject to bidding.

5.3.10 Notification of Results of the Public Bidding - The PBAC shall formally notify the winning bidder and all the losing bidders of the results of the bidding. The bid bonds of bidders who ranked second and third shall be returned only after the winning bidder has entered into a contract with PPA.

5.3.11 Notice of Award - The PBAC shall prepare the corresponding resolution, notice of awards, contract and all pertinent documents attendant thereto and forward the same to the General Manager, thru the Assistant General Manager for Operations.

The corresponding Notice of Award shall be forwarded to the winning bidder after the approval of the General Manager of the result of the bidding.

5.3.12 Failure/Refusal to Enter Into Contract - Failure or refusal by the winning bidder to enter into contract within the specified time shall cause the nullification of the award, disqualification of the winning bidder to any subsequent public bidding for cargo handling services and forfeiture of the bid security in favor of the Authority.

5.3.13 Consideration for Next Ranked Bidder/s - In the event of refusal, inability or failure of the winning bidder to make good its bid by entering into contract with the Authority within the specified time, the second ranked bidder may be considered for award provided that it shall match the bid or offer of the former. This rule may likewise apply to the