



05 March 2024

MEMORANDUM CIRCULAR NO. 2024-03-001

TO : ALL CONCERNED TRANSPORT COOPERATIVES.

SUBJECT : GUIDELINES IN THE PROCUREMENT OF TRANSPORT  
COOPERATIVE MODERN PUV UNITS

Whereas, one of the components of the Public Utility Vehicle Modernization Program is the Fleet Modernization or the procurement of PUVMP-Compliant units by the legal consolidated entities like the Transport Cooperatives;

Whereas, R.A. 9520 otherwise known as the Philippine Cooperative Code of 2008 provides that a cooperative is an autonomous and democratic organization that is controlled by its members who actively participate in setting up their policies and making decisions;

Whereas, this Office is one of the implementing agencies of the Public Transportation Modernization Program (PTMP), previously known as the PUV Modernization Program (PUVMP), with primary roles in the Industry Consolidation and Stakeholders Support Mechanism/Capacity Building activities for TCs including the provision of guidance in the transport cooperative's compliance with the said Program;

Now therefore, in line thereto and with the cooperative principles and practices, the following guidelines are hereby prescribed for the compliance of the concerned transport cooperatives in the procurement of modernized PUV units.

#### **Section 1- Title.**

This issuance shall be known as the "Guidelines in the Procurement of Transport Cooperative's Modern PUV units".

#### **Section 2. Coverage**

This guideline shall cover transport cooperatives that operate fixed routes such as Filcab (Class 1), PUJ, and UV Express Service.

#### **Section 3. General Guidelines/Procedures**

- 1.1 The TC Board of Directors/Management during its regular or special board meeting shall discuss the plan for the acquisition of modern PUV units.
- 1.2 Conduct coordination/site visitation with different TSCs that are already operating modern PUV units to determine their experiences and gather feedback/advice in aid of the procurement of modern PUV units with advantageous after-sales services.

- 1.3 Benchmarking/Identification of Potential Suppliers/Manufacturers compliant with the PNS Standard and accredited by DOTr. The Cooperative shall transact only to the company's authorized representative/s;
- Conduct of Plant/Showroom visit;
  - Conduct of Test Driving of modern PUV units;
  - Secure Quotation from at least 3 potential suppliers/dealers/manufacturers including the Price, Warranty, and other After Sales Services;
- 1.4 The Board of Directors shall prepare the Final Plan including the results of its inquiries with the suppliers/manufacturers/dealers of PUVMP-compliant units and the details on the financing scheme of the identified Financing Institution.
- 1.5 Call for the General Assembly Meeting and submit the Final Plan for approval including the selection of the supplier/dealer/manufacturer of PUVMP-compliant units and GFI/Private Financing Institution for the acquisition of modern PUV units, and the TC authorized signatory/ies to sign the contract/loan agreement.
- 1.6 Financing
- Secure Notice of Selection (NOS) from the LTFRB in routes/areas with approved LPTRP
  - Secure Alternate Certificate from LTFRB for the route with no approved LPTRP/Route Rationalization, yet;
  - Apply for a loan with the identified Financing Institution/Secure Equity Subsidy
- 1.7 Contract/Supply Agreement
- The TC authorized signatory/ies shall ensure that the contract/supply agreement shall include provisions most advantageous to the Cooperative, including but not limited to warranties, other after-sales services, spare parts availability, and other pertinent protective provisions incorporated in the said contract/agreement.

Please be guided accordingly.

  
JESUS FERDINAND D. ORTEGA  
Chairman