



Republic of the Philippines
Department of Transportation
LAND TRANSPORTATION FRANCHISING & REGULATORY BOARD
East Avenue, Quezon City

MEMORANDUM CIRCULAR
NUMBER 2020- 019

SUBJECT : Supplemental to Memorandum Circular No. 2020-059 re: Implementing Guidelines on the PUV Service Contracting Program Pursuant to Department Order No. 2020-017

WHEREAS, on 15 September 2020, President Rodrigo Roa Duterte signed into law Republic Act No. 11494, otherwise known as Bayanihan to Recover as One Act, which mandates a comprehensive program to address multifarious needs of the Filipino people to recover from the COVID-19 pandemic which includes the adversely affected transport sector;

WHEREAS, part of the COVID-19 Response and Recovery Interventions under Section 4, paragraph (fff) of said Act, the DOTr is directed to coordinate and negotiate for partially subsidized service contracting of public utility vehicles (PUVs) as a form of temporary relief to critically impacted workers in the public transportation sector, which at the same raising the level of service of the modes of public transport covered by this program;

WHEREAS, on 26 September 2020, the Department of Transportation has issued Department Order No. 2020-017, directing the LTFRB to promulgate an Implementing Guidelines relative to the implementation of the program;

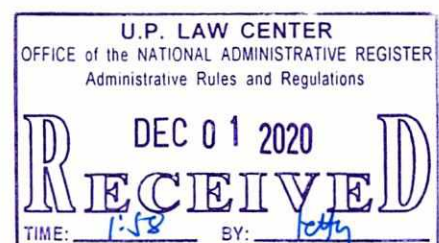
WHEREAS, on 8 October 2020, the Board issued Memorandum Circular No. 2020-059, prescribing the guidelines on the PUV Service Contracting pursuant to Department Order No. 2020-017, however, for clarity and transparency there is need to specify the amount of compensation and payment scheme;

WHEREAS, the compensation and payment scheme, which is in addition to the fare revenue earned by the driver and/or operator, are necessary to guide the beneficiaries on how the payout is computed and paid;

NOW THEREFORE, for and in consideration of the foregoing, the Board hereby **ADOPTS** the following supplemental procedure relative to MC 2020-059:

I. COVERAGE

The Service Contracting Program shall now cover Regional Franchising and Regulatory Offices (RFROs) based on the data submitted by the respective regions to the Project Implementation Unit (PIU) on the following modes: Modernized PUJ, Traditional PUJ and City Buses.



II. COMPENSATION AND PAYMENT SCHEME:

A. MODERNIZED PUJ and PUB

1. **INITIAL SUBSIDY** – an initial subsidy of Four Thousand Pesos (Php 4,000.00) which will be paid to the **DRIVER** upon the signing of the contract and his/her receipt to the amount binds him/her to the program.
2. **WEEKLY PAYOUT** – the salary-based **DRIVER** will receive the following amount if the threshold kilometer run is attained:
 - a. **MODERN PUJ** – a fixed payout of Eight Hundred Pesos (Php 800.00)/**DRIVER** per day.
 - b. **PUB** – a fixed payout of One Thousand Two Hundred Pesos (Php 1,200.00)/**DRIVER** per day.

If the kilometer threshold is not attained, the drivers are paid based on the actual kilometer run multiplied by the kilometer fee of Eleven Pesos (Php11.00) and Twenty Three Pesos & 10/100 (Php23.10) for the Modernized PUJ and PUB, respectively.

Threshold kilometer run is route-specific and aligned with the prescribed service plan. It is based on the daily estimated kilometer run of a driver per unit during his/her 3-hour AM peak shift and/or 3-hour PM peak shift.

The threshold kilometer run will not be applicable to TPUJ driver.

- c. **Merit Incurred** – additional incentive calculated based on the net weekly payout. The merit/s incurred shall not exceed 10% of the net weekly payout.
- d. **Demerit Incurred** – deduction calculated based on the gross daily payout. The demerit/s incurred shall not exceed 10% of the gross daily payout.

3. MONTHLY PAYOUT

- a. **Variable Payout** – is determined if the actual kilometer run of all units on a particular route per operator exceed the corresponding threshold kilometer run, computed based on the excess kilometer run of all units on the route multiplied by the per kilometer fee of Eleven pesos (Php11.00) and Twenty Three pesos & 10/100 (Php23.10) for the Modernized PUJ and PUB, respectively. The amount of variable payout shall further be distributed as follows:

Drivers – 40%, which will be divided by all the drivers per route per operator.

Operator – 60% to cover depreciation of the vehicles used and operational expenses, such as fuel, maintenance, sanitation, etc. per route.

B. TRADITIONAL PUJ

1. **INITIAL SUBSIDY** – an initial subsidy of Four Thousand Pesos (Php 4,000.00) which will be paid to the **DRIVER** upon the signing of the contract and his/her receipt to the amount binds him/her to the program.

2. **WEEKLY PAYOUT**
 - a. the **DRIVER** will receive a payout based on the daily actual kilometer run multiplied by the kilometer fee of Eleven pesos (Php11.00) for the traditional PUJ.

 - b. **Merit Incurred** – additional incentive calculated based on the net weekly payout. The merit/s incurred shall not exceed 10% of the net weekly payout.

 - c. **Demerit Incurred** – deduction calculated based on the gross daily payout. The demerit/s incurred shall not exceed 10% of the gross daily payout.

This Memorandum Circular shall take effect immediately following its publication in at least one (1) newspaper of general circulation. Let three (3) copies hereof be filed with the UP Law Center- Office of National Administrative Registrar (ONAR).

SO ORDERED. **NOV 25 2020**

ADOPTED AND APPROVED THROUGH TELECONFERENCE
ON NOVEMBER 25 2020.

EFFECTIVITY
DATE: 27 NOV 2020


ATTY. MARTIN B. DELGRA III
Chairman




ENGR. RONALDO F. CORPUS
Board Member


PCOL. JOEL C. PERNITO (Ret.)
Board Member

Attested by:

Col. RENWICK K. RUTAQUIO (Ret.)
OIC-Executive Director

Friday, 27 November 2020
Daily Tribune



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