



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

MEMORANDUM CIRCULAR
NUMBER 2022 - 058

SUBJECT : OPENING OF APPLICATIONS FOR THE ISSUANCE OF NEW CERTIFICATE OF PUBLIC CONVENIENCE (CPC) FOR TAXI FRANCHISE FOR REGION 11

WHEREAS, on 19 June 2017, the Department of Transportation (DOTr) issued Department Order No. 2017 – 011 also known as the Omnibus Guidelines on the Planning and Identification of the Public Road Transportation Services and Franchise Issuance adopting the rules and procedures for the issuance of the franchises for public transport routes and services;

WHEREAS, pursuant to Section 5(a) of Executive Order No. 202, dated 19 June 1987, the Land Transportation Franchising and Regulatory Board (LTFRB) shall have the power to “prescribe and regulate routes of service, economically viable capacities and zones or areas of operation of public land transportation services provided by motorized vehicles, xxxxx”;

WHEREAS, the DOTr has given LTFRB the authority to deliberate and take appropriate action on proposed new/additional routes pursuant to the Public Utility Vehicle Modernization Program (PUVMP) and Memorandum Circular No. 2018-006;

WHEREAS, on 12 November 2021, the Board issued Memorandum Circular No. 2021-067, reducing the minimum number of taxi units required per application and allowing the partial compliance of the required minimum number of units upon filing of the initial application;

WHEREAS, on the basis of the result of the survey conducted by the concerned Regional Franchising and Regulatory Office, the required number of Taxi units are being identified;

WHEREAS, upon the recommendation of the Regional Franchising and Regulatory Office (RFRO) in Region 11 and the Regional Project Management Office (RPMO) in Region 11, and the evaluation of the PUVMP - NPMO, Technical Division and Franchise Planning and Monitoring Division, the following Taxi routes for the concerned Regional Franchising and Regulatory Office be approved for the issuance of New CPCs;

NOW THEREFORE, premises considered, the Board hereby opens Taxi Franchise for Davao City to any point in Region 11, to wit:

| ITEM | REGION | ROUTE | MODE OF SERVICE / NO. of UNITS / CLASSIFICATION | ROUTE CLASSIFICATION |
|------|-----------|---|---|---------------------------------|
| 1 | REGION 11 | DAVAO CITY, Davao del Sur to any point in Region 11 | TAXI / 335 | EXISTING ROUTE / INTRA-REGIONAL |

The manner of processing the applications mentioned above is subject to the following guidelines:

1. The minimum number of units per application is twenty-five (25). Should the newly opened number of units in a particular area be less than twenty-five (25), the application must be equivalent to such number of units.

2. A partial compliance of at least ten (10) units is required upon filing of the initial application, subject to compliance to complete the minimum number of units, with an Affidavit of Undertaking to complete the remaining number of units within six (6) months from the date the initial application was filed;
3. Only brand-new units shall be accepted for processing. The units proposed to be authorized shall be compliant with Item 2.2.6 on Hierarchy and Classification of Public Transportation Modes provided under the Department Order No. 2017-011 or the Omnibus Franchising Guidelines but vehicle specifications, dimension, piston displacement and other safety and comfort feature of the proposed taxi units shall at least be compliant with MC No, 2015-004 for Air-conditioned Taxi Service. The maximum passenger per unit including the driver is five (5). Hatchback units shall not be accepted as authorized units.
4. The applicant shall observe the and follow guidelines wet forth under MC No. 2020-018 re: Guidelines for the Operations of TNVS and Taxis during the period of General Community Quarantine, for the following conditions, i.e. Taxi units must be equipped with an internet/web-based app provided by an accredited TNC, for purposes of online booking and online payment transactions. In case of street-hailed transactions, operators/drivers are directed to enroll/register with available electronic payment providers for this purpose, and for other conditions, when applicable.
5. The applicant should have sufficient garage located within the area or operation to house the proposed units and a maintenance/repair shop to maintain roadworthiness of the units compliant with the specifications under the MC No. 2017-027 re: Implementing Guidelines for Garages under the Department Order No. 2017-011, otherwise known as the Omnibus Franchising Guidelines.
6. The applicant shall "declare openly" how many units they intend to apply in order for the Board to determine when to stop accepting applications.
7. In order to ensure fair and impartial selection of applicants, the Board hereby adopts the following rules in the selection of applicant:

A. QUALIFICATION REQUIREMENTS. Applicants must submit all the Legal, Technical and Financial Capability Qualification Documents (collectively referred to as "Qualification Documents") provided below:

i. Legal Qualification

- a. Filipino Citizen who is at least eighteen (18) years old
 - a.1. Certified True Copy of Birth Certificate duly issued by the Philippine Statistics Authority (PSA).
- b. Filipino domestic juridical entity with a primary purpose to provide transportation services:
 - b.1. If Corporation or Partnership including joint ventures or consortia of local firms, Certified True Copies of Certificate of Incorporation, Articles and By-laws, and latest General Information Sheet duly received/issued by the Securities and Exchange Commission (SEC).
 - b.2. If consortium, the member or participants shall submit Certified True Copies of Certificate of Registration, Articles and By-laws and latest General Information Sheet duly received/issued by the Securities and Exchange Commission (SEC), when applicable.
 - b.3. If Cooperative, Certified True Copies of Certificate of Registration, Articles and By-laws, OTC Accreditation and latest Cooperative Annual Performance Report duly received/issued by the Cooperative Development Authority (CDA), when applicable.

- ii. Technical Qualification
 - a. OR/CR of the proposed units or Sales Invoice and Delivery Receipt of the initial ten (10) units is required upon filing of the initial application;
 - b. Affidavit of Undertaking to complete the remaining number of units within six (6) months from the date of the initial application;
 - c. Units under lease/lease-to-own shall be accepted pursuant to MC No. 2018-015.
 - d. Supporting documents to show capability for GNSS receiver, free Wi-Fi access, CCTV with continuous recording of past 24 hours of operation, dashboard camera (at least 24 hours of recording), compliant with Euro 4 emission standards or better.
 - e. Evidence of access to proposed garage/depot space (land ownership papers; contract of lease/authority to use with copy of TCT) showing sufficient space for all units, plus additional space of at least 30% of the total PUV space requirement, if applicant is selected.
- iii. Financial Capability
 - a. Original or Certified True Copy of the latest Audited Financial Statement and stamped "received" by the Bureau of Internal Revenue (BIR) or its authorized agent banks;
 - b. Manner of acquisition for the compliant PUV units identifying the funding source and with detailed financing plan when applicable; proof of support from funding source; and
 - c. Proof of financial capacity of at least equal to the set-aside bank deposit, duly certified by the depository bank which is equivalent to Fifty Thousand Pesos (Php 50,000.00) multiplied by the total number of vehicles for the route that the Applicant is applying for, inclusive of the paid-up capital posted by the Applicant. This amount is to be used for PUV maintenance, repair and operation.

B. SUBMISSION OF QUALIFICATION. The applicant shall submit to the Regional Director of concerned RFRO one (1) original copy and two (2) photocopies containing a Table of Contents and bound together in ring binders or folders sealed in an envelope or a box and appropriately addressed and marked upon the effectivity of this MC up to a point when the total required number of units has been reached.

C. PRE-QUALIFICATION COMMITTEE AND ITS PROCESS. The Regional Director of the concerned RFRO shall create a Pre-Qualification Committee consisting of at least a Chairperson, one (1) Legal Representative, and one (1) Technical Representative that shall assess applicants for the said franchise, with the presence of DOTr and COA observers.

D. EVALUATION OF QUALIFICATION DOCUMENTS. The Committee shall examine the Qualification Documents within seven (7) days after the submission date of the Qualification Documents. The detailed evaluation of the compliance by the applicant with the Legal, Technical and Financial Capability qualification requirements shall be based solely upon the Qualification Documents submitted. The Committee may seek clarification from the applicants on the form and contents of their Qualification Documents. The Committee may also make inquiries with any person, government authority, client organization, officer, director, employee or other agent of any applicant or affiliate or any of these for the purpose of clarifying any matter included in the Qualification Documents.

All submitted information and any clarifications requested by the Committee shall be assessed against the criteria for qualification as set out above and generally rated on a "PASS-OR-FAIL" basis. An applicant will be rated as "QUALIFIED" if each criterion is rated "PASSED" and each required Qualification Document and

attachment is completely submitted. The applicant will be "**DISQUALIFIED**" if any criterion is rated "**FAILED**" or if any required Qualification Document or attachment is missing. For compelling reasons, the Pre-Qualification Committee may entertain one Motion for Reconsideration from any applicant declared by the Committee as **DISQUALIFIED**.

The Committee shall submit to the Regional Director its Recommendation for the latter's approval who shall issue a Notice of Selection containing a directive to accept the application for the issuance of the new CPCs of the selected applicant.

The applicant selected will be directed to submit an Application for the Issuance of a Certificate of Public Convenience with the concerned RFRO together with all the documentary requirements for New CPC.


This Memorandum Circular shall take effect immediately following its publication in a newspaper of general circulation and the filing of three (3) copies hereof with the U.P. Law Center pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.

SO ORDERED.

APPROVED and SIGNED by the undersigned Chairman and members of the Board this ~~06 JUN 2022~~ 2022, Quezon City, Philippines.


ATTY. MARTIN B. DELGRA III, REB REA EnP
Chairman




P/COL. JOEL C. PERNITO (RET.)
Board Member


ENGR. SHERWIN MYLIL S. BEGYAN
Board Member

Attested by:


MARIA KRISTINA E. CASSION
Executive Director

IDF/cmy 05.23.22