

FORMULATING A BIDDING PROCESS OF CARGO HANDLING AT THE PORTS, APPLICABLE TO HAI PHONG PORTS

Dang Cong Xuong

Vietnam Maritime University

Abstract: *The paper mentions the reasons to conduct a bidding process of cargo handling at the port, concurrently assessing the actual situation of loading and unloading activities at ports, taking Hai Phong ports as evidence. On the basis of some limitations, the paper proposes to set up a standard bidding procedure for cargo handling for “stevedore centers”, in order to create a healthy competitive environment, promote the speedy, safe and efficient ship dispatch. Ports are considered as a key platform of marine nations, having an important role in the economic development of every country. Today, due to the trend of economic globalization, seaports are not only transferring points of exported-imported goods but also service centers, which provide jobs for thousands of workers in different types of services including cargo handling.*

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1. The necessity of bidding for cargo handling at the ports

Cargo handling is one of the key services at the seaports. Promoting the process of ship dispatch is one of the vital elements to improve the circulation of goods, to serve many ship arrivals and to increase the quantity of goods through the port. One important step in the process of handling is reasonable allocation of human resource. Currently at the ports, the number of stevedores managed by ports just maintains at a level of sufficient people for the average annual amount of goods. However, the economy has always developed, the number of goods transported through ports has increased significantly, when the amount of cargo increases suddenly, a large number of stevedores is needed to complete the work. At that time, the port has to hire more stevedores from companies outside the port.

Furthermore, current ports in general and Hai Phong ports in particular contract out with 4-5 companies for stevedores recruitment. Qualified stevedores will be trained by experts in ship dispatch, and work permanently for that port. On the other hand, there are about 4-5 ports which do not fix the number of stevedores for some different reasons. When the ship and cargo reach the port, companies of management or port business sign a contract of hiring stevedores from external companies to handle the goods

Therefore, for efficient port services, including cargo handling, it is necessary to bid for handling, even whether the harbour has human resource or not.

Bidding for handling is the work of bidding through selecting to find out the person organizing and providing stevedores for quick, safe and effective ship dispatch based on available port facilities and port tariffs.

The bidding for cargo handling must be done step by step following the procedure, as well as the person who is responsible for those steps. This is called Process of bidding for cargo handling at the port.

Hence, it is of great importance for business of port services to conduct research on formulating a process of bidding for cargo handling at the port so as to quickly clear the port.

2. Current situation of cargo handling activities at Hai Phong ports

Make a plan and appoint a ship dispatch body.

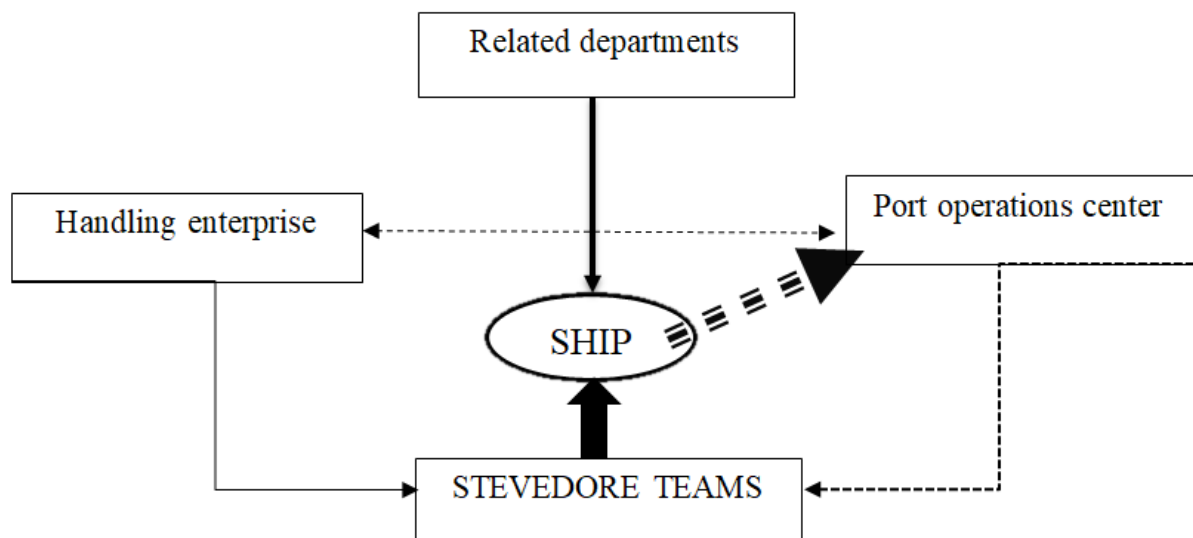
Hai Phong port is a State's business, funded by the State and is allowed to manage, exploit infrastructures which are harbours, warehouses and other infrastructures invested by the State... Therefore, the port recruits and allocates its human resource to every operating stage and port activity in consistence with functions and missions delegated by superiors.

Hai Phong port currently contains 6 handling enterprises and other technical service bodies. Each handling enterprise has from 3 to 5 stevedore centers, including: dockworkers: crane drivers, lift truck operators...; direct stevedores, tally men, warehouse men...

When a ship reaches the harbour, with the agent's notification, before it is alongside the berth or is moored to buoys. anchor for cargo operations, the handling enterprise receive a plan from Port controller and delegate (assign) the stevedore center of its enterprise to conduct the ship dispatch. After carrying out the proper process of port control to help the ship getting into the port, the port control center make a plan of ship dispatch and supervise the stevedore center's activities.

Based on different shifts, troughs, the handling team allocates its human resource reasonably along with cargo gears, main equipment, auxiliary equipment of the handling chain, as required by the port's approved technological process to clear the port.

It can be described by a diagram as follows:



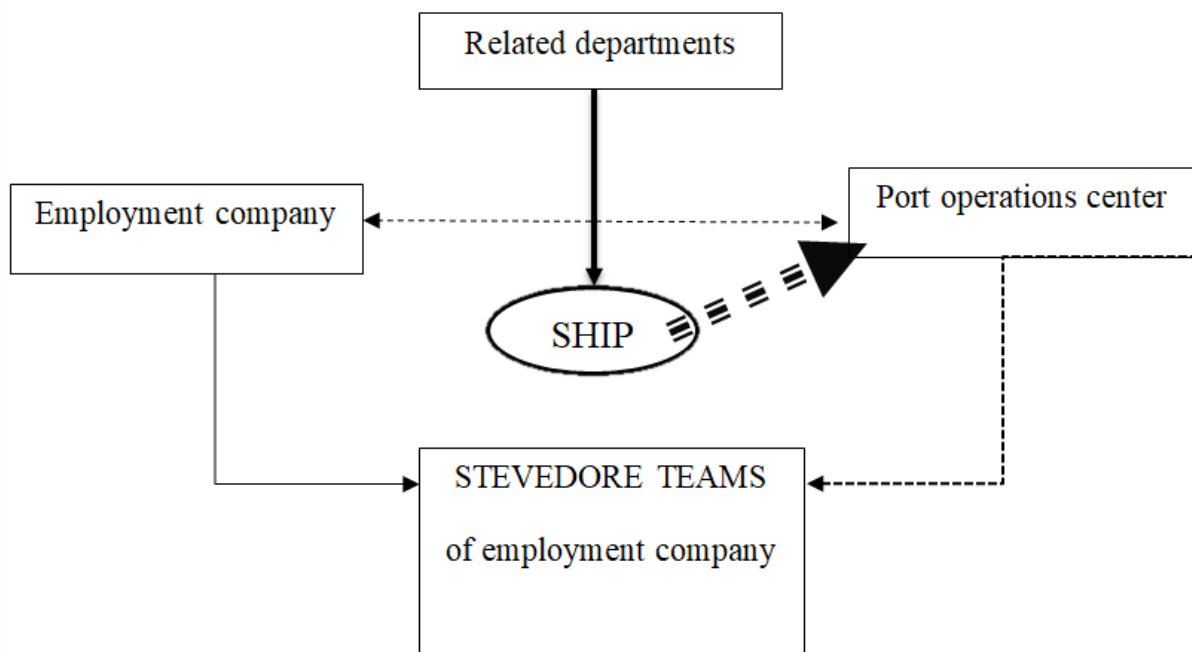
3. Extra employment contract on request

In case the amount of cargo transported through the port increases more than the planned employment allocation or the number of ships goes up suddenly, handling enterprises cannot allocate enough staff for ship dispatch, the port operations center will request the port managers to invite and sign the contract with external companies (handling companies which don't have harbour bridges). On the other hand, there are some cases when cargo is hard to handle or it

is toxic...or the cargo owner requires a quick cargo clearance....In these cases, the port always hire external handling companies (which also manage qualified stevedore centers for ship dispatch).

Usually, when there are various employment companies, bidding is set up to select "a contractor" who can clear the port most quickly, safely and comply with the designed tariffs. However, Hai Phong port has often invited or delegated a specific body without any bidding for many years.

It can be illustrated as below diagram:



4. General assessment

For the assignment of ship dispatch of the stevedore centers managed by the port, the process is usually carried out in consistence with the plan or somehow is lengthened due to self-regulated characteristics, causing lack of competitive motive or enforcement.

For the hiring workers from external employment companies, the process is carried out well in terms of the time of ship dispatch stated in the contract and usually shorten that time thanks to improved labor productivity and the employment companies' prestige.

As a result, it does not create a competitive environment for the ability of ship dispatch among different bodies in order that the stevedore centers can enhance their efficient management and labor allocation. It needs to build up a process of bidding for cargo handling so that internal and external bodies of the port can join clearing the port when ships arrive, irrespective of how many times cargo and ship transport through the port, at the same time, set out management mechanism of the contractors and related finance mechanism.

5. Formulating a bidding process of cargo handling at ports

The main steps:

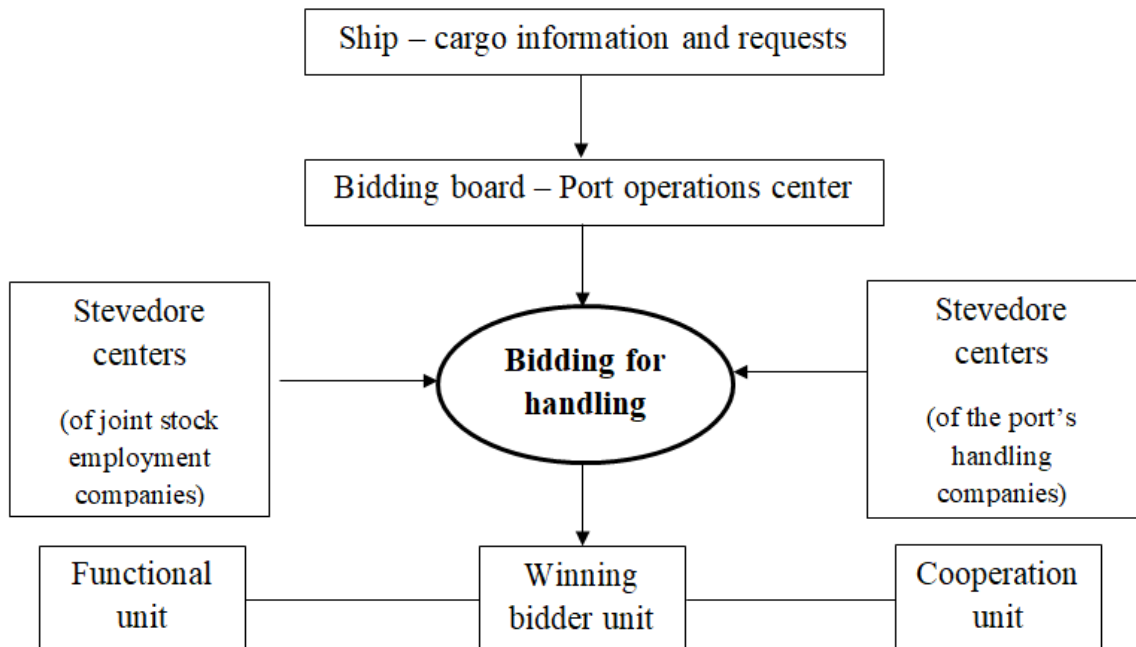
Depending on particular situation of each port, there are certain major steps of bidding for cargo handling:

- Bidding board/ Port operations center of collecting information from the agent, ship owner and ship and cargo-related information
- Forming a team of bidding and bidding appraisal experts, including members of Business department, Finance and Accountancy department.
- The bidding experts creates Bidding documents. The specific tasks of ship dispatch: kind of cargo, ship and ship parameters, time of ship dispatch and other related port operations details.
- The bidding team for handling is stevedore centers (of the ports or of the employment companies)
- Processing based on the proper steps of usual bidding: Publish Bidding documents, Receive and manage bid applications, Open bidding, Assess bidding, Summarize bidding results, Assess bidding results, Approve and inform bidding result before the ship reaches the port and sign the

contract with the stevedore center who wins the bid.

- Provide, support necessary services
- Accumulate applications and related documents of the bid.
- Monitor, check the handling of the stevedore center.

Illustration of main steps of the bidding process by a diagram as follows:



In terms of the bidding process, 24 hours before the ship arrives at the port, the bidding board/Port operations center will inform all information about the ship, cargo to the stevedore centers. All the units receive the information, calculate the targets to serve the ship and cargo, tariffs and join bidding. The winning bidder unit will be announced before the ship arrives and complete to sign the contract with related parties to serve the ship. The bidding result of ship dispatch will be written down in Production statement for other units to follow and cooperate.

The conduct of ship dispatch has to comply with the bidding process of each specific kinds of cargo approved by the port managers.

6. Information and economic targets need to be calculated in the bid

Collecting information and calculating:
When joining the bid, the stevedore centers have to collect sufficient information:

- The ship's technical parameters, type of ship, number of hold/hatch, number and type of bridge, map of the hold,...

- The number and type of cargo, manifest,...

- Means of transport joining the ship dispatch, maintenance storage, handling schedule and methods...

- On the basis of these above information, some methods which need calculating include:

- -The number of troughs – shifts needed to clear the port

- The number of staff (worker teams) needed and the reasonable allocation of the chain

- The number of facilities, equipment needed for handling

- The costs of cargo handling and ship dispatch

- Reward/ punishment during the ship dispatch

- Turnover and costs of cargo handling are calculated as follows:

Handling turnover = (The number of cargo x Price of handling with specific method) + Internal transportation fee (if any)

+ Strimming charges (if any) + Reward for quick handling.

Handling costs = Wages + Costs of facilities, equipment, transport means (if any) + Management fee + Penalty of handling.

Pay partial management fee to the port management unit.

The ratio of the partial payment to the port management unit is based on the percentage rate of handling turnover with tariffs, for example, 10%. The winning bidder unit has to pay this money to the port management unit as soon as liquidating the contract of ship dispatch.

7. Conclusion

Due to the specialized nature of the port and the demand-supply situation of human resource in the service field, the formulation of a bidding process is completely necessary

and meaningful. It creates motive for all the parties, either the stevedore centers of the ports or those of the employment companies, to calculate and organize reasonable, efficient production. Moreover, this process leads to a healthy competitive environment for the handling service as the commitment to WTO integration in terms of shipping service that Vietnam has joined \square

References.

- [1] Vietnam's Maritime law 2015 and guiding documents of practices.
- [2] Documents on the path of WTO integration.
- [3] Operating procedures of Hai Phong Port: the process of mobilizing, receiving ships, cargo handling... .

Ngày nhận bài:

Ngày chuyển phản biện:

Ngày hoàn thành sửa bài:

Ngày chấp nhận đăng: