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**Republic of the Philippines
DEPARTMENT OF TRANSPORTATION**

**MEMORANDUM CIRCULAR NO. 2020-020
Series of 2020**

GUIDELINES ON THE ACCREDITATION AND SUPERVISION OF VALUE ADDED SERVICE PROVIDERS FOR THE PRIVATE MOTOR VEHICLE INSPECTION SYSTEM (PMVIS) AUTOMATED INSPECTION AND REGISTRATION SYSTEM

WHEREAS, on 10 August 2018, the DOTr issued Memorandum Circular No. 2018-19 setting the guidelines in the Privatization of the Motor Vehicle Inspection Centers (MVICs) through the issuance of an Authorization Certificate. As a critical condition for the issuance of the Authorization Certificate to the PMVIC, the Order mandates that it must possess the necessary equipment, facilities and database capable of being interfaced with the LTO-IT Database (Section 1: Authorization) enumerated, among others, as follows:

1. Projected Lane Requirement;
2. Documentary Requirements;
3. Personnel;
4. General Requirements;
5. Main System Control Computer;
6. Motor Vehicle Inspection Report (MVIR);
7. Inspection of Vehicles;
8. Hardware and Software Requirements;
9. Security of Data, Interface and System;
10. System Requirements;
11. Inspection Period;
12. Inspection Base Fees; and
13. Post-Inspection Procedures

WHEREAS, on 18 February 2019, the DOTr issued Department Order No. 2019-002 issuing the revised Order on the Privatization of the Motor Vehicle Inspection Centers (MVICs) through the issuance of Authorization Certificate, by including the following additional requirements in support of the issuance of Certificate to Operate PMVICs:

"Section 3: Guidelines for the Authorization of PMVICs-

xxx xxx xxx

1. Annual Performance audit;
2. Curing of deficiencies;
3. Transparency;
4. Financial Capacity
5. Submission of documents;
6. After-sales service requirements."

WHEREAS, on 13 March 2019, the DOTr/LTO issued Department Order No. 2019-009 setting forth the Revised Guidelines for the Authorization of Private Motor Vehicle Inspection Centers (PMVICs)". An integral part of the revised Guidelines is the requirement that the PMVIC must be fully automated and capable of being interconnected or interfaced with the LTO-IT System at the same time outlines the general requirements of the PMVICs IT System (Section 20: General Requirements);

WHEREAS, the LTO Office Information and Communication Technology (ICT) Infrastructure (Data Center and LAN) serves as the repository of motor vehicle inspection reports, among others;

WHEREAS, the PMVIC Steering Committee under Resolution No. PMVIC-SC-No. 01-20-20 recommended the establishment of a single front-end solution to be developed and maintained by accredited Value-Added Solutions Service Provider (VASP) that will enable the accredited inspection machines used by Private Motor Vehicles Inspection Centers (PMVICs) to interface with the Land Transportation Management System (LTMS) and the DOTr Database Server for real-time and on-line uploading, validation and authentication of inspection results;

WHEREAS, the accredited VASP shall develop, operate and maintain a front-end solution that will interface with the DOTr/LTO PAIR System, electronically connecting the nationwide network of PMVICs to the DOTr Database Server and LTMS as it conducts the automated inspection and registration of private motor vehicles;

WHEREAS, in order for the DOTr/LTO to fulfil its mandate of providing functional efficiency in achieving the objectives set forth in the Motor Vehicle Inspection System using the best available ICT solutions, there is a need to set the requirements governing the accreditation of a Value-Added Solutions Service Providers (VASP) who possess the required technical expertise and financial capability to develop, operate, maintain a VASP-front end solution that will connect and interface with the DOTr/LTO PAIR System;

WHEREAS, Administrative Order No. 2020-001 Series of 2020 entitled "**RULES AND REGULATIONS ON THE SELECTION, ACCREDITATION AND OPERATION OF VALUE-ADDED SOLUTIONS SERVICE PROVIDER (VASP) FOR THE DOTr/LTO PRIVATE MOTOR VEHICLE INSPECTION SYSTEM (PMVIS) AUTOMATED INSPECTION AND REGISTRATION SYSTEM**" was published in the Daily Tribune on 26 August 2020 and took effect fifteen (15) days thereafter or on 10 September 2020;

NOW THEREFORE, I, ARTHUR P. TUGADE, Secretary of the Department of Transportation, by virtue of the powers vested in me by law, hereby orders the accreditation of Value-Added Solutions Service Providers (VASPs) that will develop, implement and operate the front-end solution to enable the PMVICs to connect and interface with the PAIR System of the LTMS and DOTr Database Server.

**Section 1.
COVERAGE**

This refers to the authority granted to the Steering Committee to accredit VASPs, which are tasked to develop a web-based, service-oriented, enterprise level front-end solution as well as the establishment of the necessary administrative, operational, infrastructure and telecommunications facilities which is to be developed under the current industry standard computing system platform. The said system must be able to upload by means of electronic transmission the data obtained from accredited PMVICs and to connect and interface their inspection machines and ICT System machines to the PAIR System maintained by the LTMS and to the DOTr Database Server, pursuant to DOTr Memorandum Circular No. 2018-019 entitled "Revised Guidelines for the Authorization of Private Motor Vehicle Inspection Centers (PMVICs) dated 13 March 2019" and DOTr Administrative Order No. 2020-001 Series of 2020 entitled "Rules and Regulations on the Selection Accreditation and Operation of Value Added Service Provider for the DOTr/LTO Private Motor Vehicle Inspection System (PMVIS) Automated Inspection and Registration System".

**SECTION 2
DEFINITION OF TERMS**

Capitalized terms herein shall have the same meaning as those stated in Department Order No. 2020-01 Series of 2020.

LTO-ICTC (Land Transportation Office-Information and Communications Technology Center)

Machine Operated Inspection shall mean an inspection made on the vehicle using a fully automated motor vehicle inspection machine in an accredited PMVIC.

PMVIC shall mean Private Motor Vehicle Inspection Center.

PMVIS shall mean Private Motor Vehicle Inspection System.

PMVIC Client shall mean any vehicle that is to undergo testing through a PMVIC using both Machine Operated Inspection and Visual Inspection.

Visual Inspection shall mean a visual inspection made by a duly accredited technician employed by a PMVIC.

**SECTION 3
GENERAL REQUIREMENTS OF THE VASP**

The VASPs shall be required to comply with the following requirements:

i) The VASPs must strictly adhere to and implement all IT requirements/guidelines relevant to the operation of a PMVIC (i.e. DOTr DO 2018-19,DOTr AO 2020-001);

ii) The VASPs shall provide a Database System Solution (E.g. Cloud Storage) for check and balance purposes to DOTr by the PMVIC for "one-to-one" record comparison to LTO-IT System data. Enable integration with the DOTr/LTO IT System, the service maintenance of which shall be the sole responsibility of the PMVIC and shall entail no cost to DOTr;

iii) In compliance with the Data Privacy Act (R.A. 10173) and technology-related directives from the Department of Transportation (DOTr), the VASP should have the capacity to implement critical changes within a specific timeframe, which can be 24 – 72 hours upon discovery of an issue, given by the DOTr and without breaking any International or Local Intellectual Property Laws;

iv) The VASP must submit any enhancement/updated version of its respective Application Programming Interface (API), including its source code, and obtain DOTr approval thereof prior to implementation of the said enhancement/update;

v) The VASP shall provide the DOTr with online monitoring capability over its PMVIC clients uploading to its server resources;

vi) The VASP shall assist the DOTr in putting up the DOTr Database Server, including a viewing facility, at no cost to the DOTr. The VASP shall maintain a record of its database, including the main, back-up and PMVIC local database of motor vehicles details, inspection results and pictures, for a period of one (1) year only. Thereafter, said record shall be purged permanently;

vii) The VASP shall upload the images, videos and the corresponding data from the PMVIC to the DOTr Database Server on a real-time basis to establish the authenticity of the data, picture(s) and video(s)as provided for under Section 2 of Administrative Order No. 2020-001;

viii) In compliance with the Data Privacy Act (RA 10173) and to properly secure data transmission from the PMVIC, the VASP should have the capability and the infrastructure to encrypt transmitted data. The agency that receives this data will be provided with the capability and the infrastructure to decrypt and/or determine whether this data is authentic and/or it has been tampered with;

ix) In compliance with the Data Privacy Act (RA 10173), the VASP will have a Data Protection Officer and one (1) member with the authority to make critical and immediate decisions with the VASP;

x) In compliance with the Data Privacy Act (RA 10173), the VASP will have security measures in place to prevent and/or mitigate data breaches. In the event of a data breach, the Data Protection Officer notifies the DOTr and the LTO within 24 hours of the incident and a full assessment and report should be filed with the National Privacy Commission and the above mentioned agencies within five (5) days of the breach;

xi) To assure that there are no conflict of interests and misuse of data collected from the PMVICs, the LTO-IT Provider is prohibited from participating as a VASP and/or has any interests in any VASP;

xii) The accredited VASP shall maintain security and privacy of the PMVIC database;

xiii) The DOTr shall conduct regular and random audits of VASP thru the DOTr Database Server and data from LTMS;

xiv) There shall be no human intervention in uploading the inspection results from the PMVIC to LTMS servers; and

xv) The grant of authority to VASP shall neither be transferable nor assignable without the written authority of the Steering Committee and upon compliance with its requirements.

**SECTION 4
MINIMUM QUALIFICATIONS OF THE VASP**

i) An individual, who is at least eighteen (18) years of age or any juridical person (corporation/partnership) in the information and communications technology services at least 60% Filipino-owned and who is not disqualified by any existing law or regulation to engage in motor vehicle inspection activity is qualified to apply for authorization provided that all the other requirements in this MC are complied.

ii) A minimum of Ten (10) consecutive years of actual involvement in the development and implementation of electronic systems/solutions, specifically in the use of digital image storage processing systems or similar projects related to LTO Motor Vehicle Registration.

iii) A minimum ten (10) years continuous operation of electronic/automated online transaction system related to LTO Motor Vehicle Registration with experience on direct interface with inspection machines or similar equipment, developed by the VASP for clients, with the latter acknowledging the effectiveness of the solutions by the VASP.

iv) No DOTr/LTO personnel, his/her spouse, or relative by consanguinity or affinity within the third civil degree shall have ownership of or any beneficial and/or financial interest in any VASP.

v) The VASP or any of its personnel shall take no interest, directly or indirectly, over ownership, control or management of any PMVIC, shall they have any financial or material interest in any transaction relative to the operation of a PMVIC which tends to conflict with their functions to the prejudice of the public interest.

vi) For transparency, check and balance purposes and for "one-to-one" record comparison to LTO-IT System data, the LTO-IT System Provider (current and interim) or equivalent, being the main proponent for the IT services for LTO shall not have ownership of or any beneficial and/or financial interest in any VASP.

**SECTION 5
VASP RESOURCES**

The accredited VASP must be able to provide the following:

I. Manpower

a. Must have the required manpower/technical personnel dedicated to the administration, management and operation of the VASP front-end solution;

b. Manpower must have education, training or skills in the fields of enterprise system design and development, software applications development, database architecture and administration, network design and administration, network security, project management and IT Training;

c. Must have relevant experience, expertise and exposure in LTO Motor Vehicle Registration processes, procedures and related operations; and

d. Must have the required manpower to provide technical support to the Regional Offices of the LTO with substantial ICT-Network facilities and PMVICs.

II. VASP ICT Facilities

a. Must possess the required ICT hardware (servers, workstations and other devices), network communication/network security solutions and devices, and other related and necessary devices and equipment owned by the VASP, such as the following:

i. Multiple Internet Service Provider for redundancy/load balancing/failover;
ii. Large redundant data-storage with petabytes of size;
iii. Multiple Hi Performance Web-Servers for client platform flexibility;
iv. Multiple layers of Firewalls for Network Security (Perimeter and DMZ); and
v. Gigabit Network Devices

b. Must have adequate facilities or provisions for the implementation of business continuity and disaster management plan with a (a)Dedicated Room and Cooling System and (b) UPS and back-up generator; and

c. Must have the capability to operate adequate technical support facilities in the Regional Offices of the LTO with substantial ICT Network facilities.

III. Financial Capability and Resources

The VASP must have the financial capacity to sustain the operations of all of the modules, functionalities and components of the PMVICs e-System, as stated in the immediately succeeding Section.

**SECTION 6
DOCUMENTARY REQUIREMENTS**

After compliance with the parameters set forth by the Steering Committee, a non-discretionary, pass or fail criteria shall be used by the Steering Committee, through the Technical Working Group in the evaluation of the following requirements:

New Applications

All Applicants for VASP accreditation shall submit the following:

(1) Duly accomplished Accreditation Application Form under oath, together with the following documents:

a) Company Profile;
b) Inventory of ICT Resources (Capacity and Capability):

I. Name of Principal and Alternate ICT Support Specialist, together with academic background, relevant training and experience and areas of expertise;

II. Hardware (with system set-up and network layout); and

III. Licensed Software (complete description of system executable file, system security policy and declaration of main application, sub programs, or other files).

(2) SEC Certificate of Registration and Articles of Incorporation and By-Laws and latest General Information Sheet and Board Resolution issued by the Corporate Secretary, specifying the name of the authorized representative who must be an officer of the corporation/partnership showing a minimum paid-up capital of P50,000,000.00;

(3) Certified True copy of Mayor's Permit or Business Permit or Official Receipt evidencing renewal of application subject to the submission of the renewed Mayor's Permit of Business Permit;

(4) BIR Certificate of Registration and TIN Number;

(5) Audited Financial Statements stamped received by the BIR for the immediately preceding three (3) taxable years, showing that the applicant is financially capable to operate the front-end solution for the term of the accreditation period;

(6) Annual Income and Business Tax Returns (VAT or Percentage Tax) duly-filed with the BIR under the Electronic Filing and Payment System (EFPS) and duly validated confirmation as evidence of the tax payments made (Filing Reference Number);

(7) Duly notarized Bank Certificate showing a balance amounting to Fifty Million Pesos (Php 50,000.000.00);

(8) Anti-Graft Certificate (Republic Act No. 3019);

(9) Organizational structure and bio-data of principal officers and technical staff who will be deployed to the project, showing their job descriptions, responsibilities and qualifications.

(10) Non-Disclosure Agreement (NDA) and Compliance with Data Privacy Policy;

(11) Detailed Information of at least one (1) similar or related operational systems designed for clients within the last five (5) years, including the following: (a) Client profile; (b) Narrative Description of the same or similar Project; (c) Date and duration of the said Project; (d) description of the functions and services of the client which were automated; (e) proof of satisfactory completion of the said Project.

(12) Detailed Project Proposal showing how the requirements of the Steering Committee will be delivered by the VASP front-end solution, as follows:

a. Physical security procedure and guidelines to indicate the Modules and measures to be used to maintain safe operating condition of the datacenter and controls to secure the same from intrusions, cyber-attack, actual physical damage and natural disasters;

b. Project Management Plan to show how the Project will be managed from project completion, deployment and operation, as well as the fees that will be imposed for the VASP front-end PMVIC system users and other fees as may be assessed; and

c. Data Storage Capacity of at least 5 Petabytes, broken into 15TB Minimum Multiple Enterprise Systems. In each phase of the inspection process, the data collected shall be saved in the internal PMVIC Database. Only upon the completion of the entire inspection process will the VASP securely upload in "real-time" the inspection results to the LTMS and DOTr Database Server.

(13) Business Continuity and Disaster Recovery Plan covering network security procedures, back-up and disaster recovery procedures, other resources and controls to ensure uninterrupted services and procedures to resume normal business operations in disaster cases;

(14) A certification issued by the Authorization Committee upon recommendation by the PMVIC-AC Inspection Team, that the proposed VASP-front end solution is able to directly interface with at least three (3) brands of Motor Vehicle inspection machines; and

(15) A certification under oath by the VASP applicant that he/she is not related by consanguinity or affinity within the third (3rd) civil degree to any member of the Steering and Authorization Committees, Technical Working Groups and Secretariat.

Renewal of Accreditation

(1) Duly accomplished Renewal Form, under oath;
(2) Certified True Copy of Mayor's Permit or Business Permit or Official Receipt evidencing renewal of application subject to the submission of the renewed Mayor's Permit of Business Permit;
(3) Income Tax Return for the immediately preceding year, duly stamped received by the BIR;
(4) Affidavit attesting to its continuing compliance with all the requirements unless there are changes thereto in which case the applicants shall submit the applicable documents;
(5) Latest list of PMVIC clients;
(6) Picture of Establishment; and
(7) Latest ISO Quality Management Standard as an ICT Service Provider upon renewal of accreditation.

**SECTION 7
VASP SOFTWARE AND HARDWARE REQUIREMENTS**

The VASP shall be required to submit the following as proof of meeting the minimum software and hardware requirements:

(1) System set-up and gigabit network layout of internal systems;

(2) List of physical servers (Processors, Cores, Memory, Operation System (Windows, Linux) database, number of virtualized host (if any Hyper-V, VMware etc.) and storage capacity;

(3) System security policy;
(4) List of security appliance used (Firewall brand, model, appliance subscription expiration);

(5) List of Internet Service Providers, type of connection (DSL, fiber or leased line), bandwidth capacity, Static IP Addresses;

(6) System Documentation;

(7) Data recovery and backup procedures and schedules;

(8) Data Privacy Procedure Manual;

(9) List of VASP PMVIC clients with the following description for each:

(a) PMVIC Name and Address;
(b) Number of Lanes for LV and MC;
(c) System set-up and network layout;
(d) Equipment brand and serial numbers;
(e) Main Database Server (MDS) brand and specs (Memory, Processor and HDD capacity);
(f) CCTV Brand and storage capacity and total number of IP cameras deployed;
(g) Updated list of technicians with their corresponding TESDA certificate number; and
(h) Network of stations utilized, date of initial installation, and last system update done.

**SECTION 8
VASP DATA SECURITY, TRANSMISSION AND RETENTION**

1. VASP must support industry standards in cryptographic protocols designed to provide communications security such as SSL and TLS;

2. All data transmissions from PMVIC to VASP servers and vice versa (if supported) must be encrypted;

3. All data transmissions from VASP to DOTr Database Server and LTMS must be encrypted;

4. Must ensure that all data collected or received by the VASP becomes and remains the exclusive property of the DOTr/LTO. The VASP shall not supply any report or statistical information to any person or entity other than the DOTr/LTO without advance specific written permission from the Steering Committee or its duly authorized representative;

5. DOTr/LTO shall be provided with incident reports twenty-four (24) hours from the time the VASP fails to upload data in real time by the appropriate offices as maybe designated or determined by the Steering Committee;

6. The VASP must strictly validate the authorization status of the PMVIC and enable the automatic rejection of uploads (image, video and data) from PMVICs with expired, suspended and revoked authorization status by the appropriate offices as maybe designated or determined by the Steering Committee;

7. All uploads shall adhere to the twenty-four (24) hours grace period. Time computation for delayed/batched upload shall not be more that twenty-four (24) hours from the date/time the vehicles were inspected;

8. During the testing period, demo data may be uploaded to the DOTr Database Server and LTMS, however, no demo data shall be maintained in said server after the testing period;

9. Digital images uploaded to DOTr Database Server and LTMS must be at least 720p (1280x720) pixels or greater in resolution;

The VASP shall maintain a record of its database, including the main, back-up and PMVIC local database of motor vehicles details, inspection results and pictures, for a period of one (1) year only. Thereafter, said record shall be purged permanently.

**SECTION 9
OTHER CONDITIONS FOR ACCREDITATION AS VASP**

The selected VASP shall comply with the following terms and conditions before the issuance of accreditation certificate by the Steering Committee:

1. Enter into a Service Level Agreement (SLA) with the Steering Committee or its duly designated office, identifying its duties and responsibilities, standards of services to be provided, service targets, business continuity plan among others;

2. Enter into a Non- Disclosure Agreement (NDA) with the Steering Committee or its duly designated office, which shall provide for the protection of stakeholder information and shall notify the parties of their duties to process and maintain confidential information;

3. Pay a one-time VASP Accreditation Fee of One Million Pesos (P 1,000,000.00) and annual fee in an amount equivalent to one percent (1%) of the gross receipts; and

4. Post a performance bond in the amount of P5,000,000.00 which shall be made to answer for any pecuniary damage for any breach of its undertaking as VASP and which amount shall be forfeited in favor of the LTO in the event that it is established that the selected VASP is in default in any of its obligations under the MC and other rules and regulations as may be implemented by the DOTr and LTO.

**SECTION 10
THE PMVICs AUTOMATED INSPECTION AND REGISTRATION SYSTEM (PAIR SYSTEM)**

PAIR System Overview

The VASP and the Motor Vehicle Inspection System-Project Management Office (MVIS-PMO) shall establish an RFID and/or QR Code System that is linked to the DOTr Database Server and the LTO-IT System that will serve as the global reference and shall contain all necessary data and/or information, i.e. Vehicle Plate Number, Motor Vehicle File Number, Engine Number and all other necessary information that the DOTr and/or LTO shall deem necessary.

The VASP software system must be capable of reading the RFID and/or QR Code assigned to a certain vehicle and must be able to interconnect to the DOTr Database Server and LTO-IT System.

High-resolution (not less than 720p) photographs of the Visual Inspection showing the front, side and rear of the vehicle with the plate number clearly shown that be uploaded in real time to the VASP, LTMS and the DOTr Database Server and immediately tagged to the assigned QR Code. In order to avoid manipulation of results pending synchronization with the server and/or upload, only tablets programmed and registered with the VASP can be used for the Visual Inspection.

Machine Operated Inspection results, such as but not limited to braking, suspension, lights, emission, calibration and all other tests conducted by the MVIS machine shall likewise be stored in the DOTr Database Server.

To ensure that no manipulation of results are done within the PMVIC, all Visual Inspection or Machine Operated Inspection results shall only be available to the vehicle owner after the Pass or Fail results shall have been uploaded to the DOTr Database Server and the LTO-IT System.

The final Pass or Fail result shall then be uploaded to the LTO-IT System.

A vehicle that fails either the Visual Inspection or the Machine Inspection shall be required to make the necessary repairs within seven (7) days and shall be required to undergo a repeat testing in the same PMVIC for a minimal fee of Five Hundred Pesos (Php 500.00) unless otherwise increased or decreased by the DOTr and the LTO. After the lapse of seven (7) days, the re-test shall be charged as if it was a new test.

During the vehicle inspection, the vehicle owner shall not be allowed inside the testing floor and shall at all times remain in the customer lounge with a view of the testing floor either remotely by video or through a glass observation window. The vehicle owner will also be able to scan the QR code and monitor the testing progress online in real time.

Pre-Inspection

The vehicle is subjected to a pre-inspection check to determine whether the vehicle is present in the LTMS vehicle database. The operator checks the vehicle using a VASP enabled tablet in a pre-designated space in or around the PMVIC. If the vehicle is present in the LTMS vehicle database, the operator informs the Client to proceed to the next step. If the vehicle is not present in the LTMS vehicle database, the operator informs the Client to proceed to the nearest LTO District Office to have their vehicle added onto the LTMS database before returning to the PMVIC.

There are three ways to check the vehicle during pre-inspection as follows:

i) RFID – Using an RFID gun or scanner (present on the tablet), the operator scans the RFID sticker found on the vehicle. The VASP facilitates this data retrieval process and populates the PMVIC client software removing typographic mistakes from the operator.

ii) QR Code – Using a 1D/2D barcode scanner, the operator scans the QR Code found on the lower right corner of the vehicle plate. The VASP facilitates this data retrieval process by connecting directly to LTMS and populates the PMVIC client software removing typographic mistakes from the operator.

iii) Manual Search – The operator can enter the plate number and do a manual search in the LTMS vehicle database. The VASP queries the LTMS to retrieve LTO approved vehicle data fields.

Queuing

The VASP shall provide for an online scheduling and booking facility website for the PMVIC. A PMVIC Client who has a booking made through the VASP website may immediately proceed to the Payment Window for verification and payment.

If the PMVIC Client is a walk-in, the PMVIC Client proceeds to the Encoder Window to have the vehicle information, i.e. Vehicle Plate Number, Motor Vehicle File Number, Engine Number and all other necessary information that the DOTr and/or LTO shall deem necessary, encoded before receiving a queue number.

Payment

The VASP must establish a payment facility for online payment using either a debit or credit card through its online scheduling website. Third party payment providers, such as but not limited to Gcash, PayMaya, Bayad Centers, LBC Payment Centers, Pera Hub, etc. may also be integrated into the online scheduling system of the VASP.

If the PMVIC Client is paying in cash, the Client can wait for his or her queue number to be called before proceeding to the Payment Window.

Vehicle Inspection Phase

This phase is where the vehicle goes through a thorough inspection based on the guidelines set by all agencies involved. The configuration varies, depending on the site layout and/or brands used to perform the inspection.

A duly accredited Motor Vehicle Inspection Technician (MVIT) starts the vehicle inspection by logging into the system using the biometric scanner; this will enable the facility to track the performance of the MVIT and informs the LTMS that a vehicle inspection is about to occur. This will enable the entire lane to be under the operational control of the MVIT. Only one MVIT will inspect a particular vehicle to ensure accountability and responsibility only falls to one MVIT when an issue arises within the vehicle.

**SECTION 11
CUSTOMER RELATIONS MANAGEMENT**

The VASP shall be required to establish a Customer Relations Management Center that shall respond to customer complaints regarding PMVICs. The VASP shall be required to procure at its own expense a hotline number that can accommodate fifteen (15) calls at the same time.

The VASP shall also establish an email and/or SMS system for reporting any complaints made against any PMVIC.

**SECTION 12
ACCREDITATION PERIOD**

The accredited VASP shall be given accreditation status for a period of five (5) years, subject to an annual audit and evaluation of the quality of their compliance and performance as measured by the SLA and compliance with the eligibility requirements as set forth in Section 3 of this MC.

**SECTION 13
FEES PAYABLE TO THE VASP**

The accredited VASP shall be allowed to collect fees from the PMVICs, with their fee structure/s to be determined upon prevailing IT connectivity fees, market conditions and systems sustainability requirements, among others. The market determined fee for the use of the PMVIC E-System shall be imposed and collected by the VASP from the PMVICs on a fee-per-use basis and shall be made upon approval of the Steering Committee.

**SECTION 14
PERIODIC REVIEW**

In compliance with the Implementing Rules and Regulations of Republic Act No. 8749 otherwise known as the Clean Air Act, the DOTr is mandated to conduct vehicle test utilizing an MVIS or through accredit PMVICs. Thus, in order to ensure that the accredited PMVICs are conducting vehicle testing in accordance with R.A. 8749 and its Implementing Rules and Regulations, the DOTr may conduct periodic or random reviews either physically or remotely by reviewing the data uploaded by the VASP to the DOTr Server.

**SECTION 15
PENALTY CLAUSE**

Failure to comply with the laws, rules, and regulations as provided in this MC and the commission of other violations to issuances promulgated by the Steering Committee shall be subject to corresponding penalties and/or fines without prejudice to the filing of appropriate criminal, civil and/or administrative penalties. The Steering Committee is hereby authorized to issue and promulgate rules and regulations pertaining to specific violations, penalties, and/or fines to be imposed in relation to A.O. 2020 – 001 or this Circular.

**SECTION 16
OWNERSHIP OF DATA**

All record/data submitted, processed and stored in the DOTr Database and the LTMS shall be owned by the DOTr /LTO.

**SECTION 17
REPEALING CLAUSE**

All issuances inconsistent with this Memorandum Circular are hereby suspended and/or repealed.

**SECTION 18
SEPARABILITY CLAUSE**

If any part or provision of this Memorandum Circular is held unconstitutional or invalid, other parts or provisions which are not affected shall continue to remain in full force and effect.

**SECTION 19
EFFECTIVITY**

This Memorandum Circular shall take effect immediately after completion of its publication in a newspaper of general circulation.

ARTHUR P. TUGADE
Secretary

26 NOV 2020