



INVITATION FOR NEGOTIATION
(NEGOTIATED PROCUREMENT: TWO FAILED BIDDINGS)
OF
CONSULTANCY SERVICES FOR THE REVIEW OF THE COMPENSATION AND
POSITION CLASSIFICATION SYSTEM (CPCS) FOR THE GOVERNMENT SECTOR
(Pursuant to Section 53.1 of the Revised Implementing Rules and Regulations
of R.A. No. 9184 – Negotiated Procurement: Two Failed Biddings)

1. In view of the three (3) failed biddings, the **GOVERNANCE COMMISSION FOR GOCCs (GCG)** invites capable consultants to participate in the negotiation for the Procurement of Consultancy Services for the Review of the Compensation and Position Classification System (CPCS) for the Government Sector.
2. The **GCG**, through the General Appropriations Act of 2023, intends to apply the sum of **Forty-Eight Million Pesos Only (P48,000,000.00)**, being the Approved Budget for the Contract (ABC) to payments under the contract for the abovementioned procurement. Proposals received in excess of the ABC shall be automatically rejected at the opening of the financial proposals.
3. Pursuant to Section 53.1 of the 2016 Revised Implementing Rules and Regulations (IRR) of R.A. No. 9184, we invite legally, technically and financially capable consultants to negotiate for the project through the Negotiation Conference to be held on **11 December 2023** at 10:00AM at **3/F, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City, Philippines 1226** and/or through video conferencing or webcasting via Microsoft Teams which shall be open to prospective consultants. Prospective bidders that intend to participate through video conferencing may confirm their attendance by sending their email address to procurement@gcg.gov.ph to receive the meeting invitation.
4. Negotiation is open to all interested consultants, whether local or foreign, subject to the conditions for eligibility provided in the Revised IRR of R.A. No. 9184.
5. Following the completion of the negotiations, the best and final offer based on the technical and financial requirements, including the pre-requisite documentary requirements enumerated in the checklist of requirements hereof must be duly received by the BAC Secretariat on or before **18 December 2023 at 10:00AM**, at **3/F, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City, Philippines 1226**. Late submissions shall not be accepted.
6. The **GCG** reserves the right to reject any and all proposals, declare a failure of negotiation or procurement, or not award the contract at any time prior to contract award in accordance with Section 41 of R.A. No. 9184 and its Revised IRR, without thereby incurring any liability to the affected consultants or proponents.

7. For further information, please refer to:

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01 December 2023



DIR. JOHANN CARLOS S. BARCENA, CESO III
BAC Chairperson

TERMS OF REFERENCE
REVIEW OF THE COMPENSATION AND POSITION
CLASSIFICATION SYSTEM (CPCS) FOR THE GOVERNMENT SECTOR

I. INTRODUCTION

A. *Study of the CPCS for National Government Agencies (NGAs) Covered by the Salary Standardization Law (SSL)*

Section 5, Article IX-B of the 1987 Constitution stipulates that:

“The Congress shall provide for the standardization of compensation of government officials and employees, including those in government-owned or controlled corporations with original charter, taking into account the nature of the responsibilities pertaining to, and the qualifications required for their positions.”

In CY 1989, Congress passed Republic Act (R.A.) No. 6758¹ to execute the salary standardization provision of the 1987 Constitution. Corollary, the Department of Budget and Management (DBM) serves as the administrator of the unified Compensation and Position Classification System (CPCS).

Through the years, the following legislative measures/executive issuance were passed to update/modify the CPCS of government personnel:

- Joint Senate-House of Representatives Resolution (J.R.) No. 1, s. 1994;²
- J.R. No. 4, s. 2009³;
- Executive Order (E.O.) No. 201;⁴ and
- R.A. No. 11466 or the Salary Standardization Law (SSL) of 2019⁵ or more commonly known as SSL V.

May we highlight the underlying principles governing the current CPCS of government personnel under Section 2 of RA No. 11466:

“(a) Differences in pay shall be based upon substantive differences in duties, responsibilities, accountabilities and qualification requirements of the positions.

(b) The compensation for all civilian government personnel shall be standardized and rationalized across all government agencies to create

¹ *An Act Prescribing A Compensation and Position Classification System in the Government and For Other Purposes.*

² *Joint Resolution Urging the President of the Philippines to Review the Existing Compensation and Position Classification System in the Government and to Implement the Same Initially Effective January 1, 1994.*

³ *Joint Resolution Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government, and for Other Purposes.*

⁴ *Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel.*

⁵ *An Act Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits, and For Other Purposes.*

an enabling environment that will promote social justice, integrity, efficiency, productivity, accountability and excellence in the civil service.

- (c) *The compensation of all civilian personnel shall generally be competitive with those in the private sector doing comparable work in order to attract, retain and motivate a corps of competent and dedicated civil servants.*
- (d) *A performance-based incentive scheme which integrates personnel and organizational performance shall be established to reward exemplary civil servants and well-performing organizations.*
- (e) *The compensation scheme shall take into consideration the financial capability of the government and shall give due regard to the efficient allocation of funds for personnel services, which shall be maintained at a realistic level in proportion to the overall expenditure of government.”*

Under the current Total Compensation Framework (TCF), the total payment given to an employee for services rendered shall be limited to the following categories:

- Basic Salaries, including Step Increments;

An employee may progress from Step 1 to Step 8 of the Salary Grade allocation of his/her position in recognition of meritorious performance and/or through length of service.
- Standard Allowances and Benefits which are given to all employees across agencies, namely;
 - (i) Personnel Economic Relief Allowance (PERA);
 - (ii) Uniform/Clothing Allowance (U/CA); and
 - (iii) Year-end Bonus and Cash Gift (YEB and CG).
- Specific-Purpose Allowances and Benefits which are granted under specific conditions and situations related to the actual performance of work, and limited to the following:
 - (i) Representation and Transportation Allowances (RATA);
 - (ii) Per Diem;
 - (iii) Honoraria;
 - (iv) Night-Shift Differential;
 - (v) Overtime Pay;
 - (vi) Subsistence Allowance;
 - (vii) Hazard Pay;
 - (viii) Special Counsel Allowance;
 - (ix) Magna Carta Benefits as prescribed by law; and
 - (x) Overseas and Other Allowances for Government Personnel Stationed Abroad.
- Incentives (i) to reward an employee's loyalty to government service and contributions to the agency's continuing viable existence, and (ii) as rewards for exceeding agency financial and operational

performance targets, and to motivate employee efforts toward higher productivity, as follows:

- (i) Loyalty Incentive;
- (ii) Anniversary Bonus;
- (iii) Mid-Year Bonus (MYB);
- (iv) Collective Negotiation Agreement (CNA) Incentive;
- (v) Productivity Enhancement Incentive (PEI); and
- (vi) Performance-Based Bonus (PBB).

The MYB and PEI are across-the-board incentives while the PBB is a top-up incentive linked with organization/delivery unit/individual performance conditions.

The monetary and non-monetary rewards for recognition of personnel under the Program on Awards and Incentives for Service Excellence (PRAISE) is likewise under the category of Incentives.

At present, there are around 1.4 million civilian regular employees of the national government covered by the SSL, distributed in the following population categories:

Population Category	Number of Authorized Positions			%
	Filled	Vacant	Total	
Medical and Allied Medical	63,992	18,212	82,204	5.62%
General Civil Servants	306,116	81,673	387,789	26.52%
Teaching and Teaching	948,428	44,047	992,475	67.86%
Total			1,462,468	100.00%

The SSL V also applies to all casual and contractual personnel of the national government, as well as salaried personnel of local government units (LGUs), whether regular, contractual or casual in nature, elective or appointive.

It bears noting that despite the series of compensation adjustments, there remains to be a significant number of vacant positions in the following occupational groups: *attorney, information technology, medical, nursing, allied medical, teaching related.*

As confirmed by the different government agencies, there are hardly any applicants for the said positions partly due to the lower compensation package offered by government compared to private sector rates.

It is equally worth noting that the Personnel Services (PS) has the second largest share of the CY 2023 national budget at P1.621 Trillion, with the bulk of PS expense allocated to the salaries and other compensation benefits of civilian personnel.

B. Review of the CPCS for GOCCs under E.O. No. 150

The Governance Commission for GOCCs was created under R.A. No. 10149⁶ to be the central advisory, monitoring, and oversight body with authority to formulate, implement, and coordinate policies governing GOCCs. It shall be responsible for developing the CPCS mandated under Section 5(h) in relation to Chapter III of R.A. No. 10149, to wit:

(h) Conduct compensation studies, develop, and recommend to the President a competitive compensation and remuneration system which shall attract and retain talent, at the same time allowing the GOCC to be financially sound and sustainable;

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CHAPTER III

COMPENSATION AND POSITION CLASSIFICATION SYSTEM FOR GOCCS

SEC. 8. *Coverage of the Compensation and Position Classification System.* – The GCG, after conducting a compensation study, shall develop a Compensation and Position Classification system which shall apply to all officers and employees of the GOCCs xxx.

Hence, with the assistance of a human resource management and development consultant, the GCG previously conducted the requisite compensation study and submitted to the President for his approval the CPCS for the GOCCs. On 22 March 2016, or months before the end of his term, former President Benigno Simeon Aquino III issued E.O. No. 203, s. 2016,⁷ establishing a CPCS and a General Index of Occupational Services for the GOCCs (IOS-G). On 28 July 2017, former President Rodrigo Roa Duterte issued E.O. No. 36, s.2017,⁸ suspending the CPCS under E.O. No. 203 and providing an interim compensation framework for the GOCCs under the coverage of R.A. No. 10149, pending a new CPCS approved by the President.

The GCG thus conducted another compensation study with the assistance of a consultant and submitted to former President Duterte for his approval the CPCS for the GOCCs.

On 01 October 2021, former President Duterte signed E.O. No. 150, s.2021 entitled “*Approving the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order No. 203 (s.*

⁶ GOCC Governance Act of 2011.

⁷ *Adopting a Compensation and Position Classification System (CPCS) and a General Index of Occupational Services (IOS) for the GOCC Sector Covered by Republic Act No. 10149 and for other Purposes.*

⁸ *Suspending the Compensation and Position Classification System Under Executive Order No. 203 (s. 2016), providing for Interim Compensation Adjustments, and for other Purposes.*

2016), and for Other Purposes.” E.O. No. 150 took effect on 05 October 2021.⁹

As of June 2022, there are one hundred 100 GOCCs classified under eight (8) industries¹⁰ that will be re-evaluated and standardized by the CPCS. Apart from the National Government Agencies (NGAs) Sector, the GOCC Sectors identified by the GCG are as follows:

1. Government Financial Institutions;
2. Trade, Area Development, and Tourism;
3. Education and Cultural;
4. Gaming;
5. Energy and Materials;
6. Agriculture, Fisheries, and Food;
7. Utilities and Communications; and
8. Healthcare Services.

Pursuant to Chapter V of the CPCS attached to E.O. No. 150, s. 2021, eighty-seven (87) GOCCs have been assigned¹¹ their CPCS GOCC Category, and sixty-four (64) GOCCs have received their Authorization to Implement the CPCS as of 31 December 2022.

Corollary, Section 9 of E.O. No. 150, s. 2021 provides for the periodic review of the CPCS, to wit:

SECTION 9. Periodic Review of the CPCS. The GCG En Banc shall review the CPCS three (3) years after its effectivity, and every three (3) years thereafter, taking into account the performance of GOCCs, their overall contribution to the national economy, and the possible erosion in purchasing power due to inflation and other factors.

On the other hand, pursuant to Section 11 of R.A. No. 11466, the fourth and final tranche of the Modified Salary Schedule for civilian government personnel shall be implemented beginning 01 January 2023. Section 5 of the same R.A. further provides that the DBM shall continually review and update the Position Classification System in consideration of substantial changes in and complexity of duties and responsibilities of positions, work methods, skills, competencies, and other relevant factors.

Below are the respective timelines for the implementation and review of the CPCS under E.O. No. 150 and R.A. No. 11466 (SSL V):

Year	E.O. No. 150	R.A. No. 11466
2019	-	-
2020	-	Year 1 of Implementation

⁹ Based on the letter from the Malacañang Records Office (MRO) dated 11 October 2021

¹⁰ As per GCG Annex A.

¹¹ As held during the 27 January 2021, 15 February 2021 and 22 October 2022 GCG *En Banc* Meetings.

Year	E.O. No. 150	R.A. No. 11466
2021	Approval of E.O. No. 150	Year 2 of Implementation
2022	Year 1 of Implementation	Year 3 of Implementation
2023	Year 2 of Implementation	Year 4 of Implementation and Periodic Review
2024	Year 3 of Implementation and Periodic Review	-

Based on the above timelines, the GCG and DBM may adopt the same methodology during the E.O. No. 201 and E.O. No. 203 review wherein the consultant will first review the SSL and the results thereof shall be used as benchmark for the CPCS review.

Hence, during the 2021 Year-End GCG *En Banc* meeting on 21 December 2021, the joint procurement of the consultancy services for the review of the CPCS and SSL of 2019 was discussed by the Commission, with GCG as the procuring entity.

In line with this, on 21 April 2022, the GCG *En Banc* Resolution 2022-01 was approved, allowing the inclusion of the budget for the procurement of the Consultant for the review of the CPCS and SSL of 2019 in the FY 2023 National Expenditure Program (NEP) of GCG, and which was subsequently included in the FY 2023 General Appropriations Act.

Accordingly, these terms of reference pertain to the procurement of consultancy services, pursuant to the guidelines set forth in R.A. No. 9184¹² and its implementing rules, of a reputable and established firm long engaged in the Human Resource industry, which shall provide the necessary technical assistance to the DBM and GCG in reviewing the CPCS of the government sector.

II. OBJECTIVES AND RATIONALE

Overall, this study aims to provide a sound and reliable basis for the adjustment in the compensation of government personnel in the Executive, Legislative and Judicial Branches, Constitutional Commissions and other Constitutional Offices, local government units (LGUs), and GOCCs, both those not covered and under the coverage of R.A. No. 10149.

Specifically, the following are expected from the study:

A. Study of the CPCS for NGAs covered by the SSL

1. Assessment of the current compensation and benefits system with respect to:
 - Competitiveness in the job market and comparability with the private sector;
 - Ability to attract, motivate, and retain competent and ethical civil servants; and,

¹² An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for other Purposes

- Effectiveness of the performance-based pay.
2. Proposals to enhance the competitiveness of public sector compensation, and optimize Personnel Services spending. Such proposals may be in the form of salary increases, adjustment in the rate of benefits and allowances, rationalization of incentives, and/or fine tuning of the current Total Compensation Framework.

Such increases/adjustments/refinements shall be benchmarked with the practices in the Philippine private sector and shall consider the effects of inflation on compensation.

The study shall also include getting information on compensation practices in the public sector of select countries.

3. Proposal for the enhancement of the Provident Fund (PF).

From the time the establishment of the PF was authorized in CY 2007, the government contribution in the case of NGAs has been limited in the form of support for reasonable operating requirements in the administration of the PF, such as part-time assignment of existing personnel, and use of agency facilities and equipment.

4. Estimate of the budgetary implication of the proposed adjustments in basic salary, allowances and benefits; and the strategy for implementation in the national government and local government units.

B. Review of the CPCS for GOCCs under E.O. No. 150

1. Review of the classification of GOCCs under the CPCS
2. Assessment of the current compensation system with respect to:
 - Competitiveness in the job market and comparability with the private sector;
 - Ability to attract, motivate, and retain competent and ethical civil servants; and,
 - Effectiveness of the performance-based pay.
3. Assessment of the position classification system in terms of:
 - Career and salary banding of positions under the CPCS
 - Hierarchy of positions common in the GOCCs
4. Proposal on the necessary adjustments on the following:
 - Classification of GOCCs under the CPCS to capture the current financial position of GOCCs, among others.
 - Total compensation to enhance the competitiveness and attractiveness of compensation in the GOCC sector. These adjustments shall be

benchmarked with the practices in the Philippine private sector and shall consider the effects of inflation on compensation. The study shall include getting information on compensation practices in the public sector of select countries, taking into account the performance of GOCCs, their overall contribution to the national economy, and the possible erosion in purchasing power due to inflation and other factors.

- Position classification system to address issues brought up during the implementation of the current CPCS.

Further, the procurement of the services of a Consultant in the review of the CPCS in the government sector is of great import due to the following considerations:

- Magnitude of work requiring the study, evaluation, analysis, and pricing of a considerable number of positions of varying levels, titles, and levels which are very diverse in nature and scope, which requires specialized knowledge and experience on human resources management.
- Time constraint brought about by necessity to provide the covered government agencies with the means to attract and retain qualified personnel who can contribute to the efficient and effective performance of respective agencies/corporations.

III. **SCOPE OF WORK**

The project shall encompass the following activities, expected to be performed by the firm, under the general supervision of the DBM and GCG:

A. Study of the CPCS for NGAs covered by the SSL

1. Review of the current compensation and benefits system under the Total Compensation Framework and diagnose the same vis-à-vis the above objectives cited in II.A.1.
2. Gathering of reliable data on salaries and other compensation (basic salaries, allowances, bonuses, and incentives) of benchmark positions in the Philippine private sector, as well as on compensation practices in other select sovereign countries.
 - a. The survey shall be done for 100 benchmark positions listed in Annex A. Each benchmark position shall have a minimum of ten (10) data points or survey responses from different companies.
 - b. The nationwide survey shall cover a cross-section of small (25%), medium (50%) and large (25%) companies in various industries with the following parameters:

Size of Firm	Company Financials ¹³	Number of full-time equivalent employees
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¹³ Company financials shall refer to:

Small	<P8.25B	50 to 240
Medium	P8.25B to P55B	241 to 1,600
Large	More than P55B	more than 1,600

- c. The survey shall cover firms all over the country with the following proportion: 50% in Luzon including NCR; 25% in Visayas; and 25% in Mindanao.
 - d. The study shall also cover the compensation practices in the public sector of other sovereign countries in the Asia-Pacific Region¹⁴ vis-à-vis the private sector in the respective countries for the following positions:
 - Head of Government
 - Head of Department/Ministry
 - Middle Level Supervisor
 - Senior Level Professional
 - Entry Level Professional
 - Teacher (Elementary, High School)
 - Doctor
 - Nurse
 - Lawyer
3. Analysis of survey results and comparison with the current government total compensation framework.
 4. Formulation of options on the salary schedule for civilian government personnel competitive with the prevailing rates for comparable jobs in medium- and large-size firms in the private sector, while considering the available financial resources of the government.
 5. Design of a competitive, equitable, and affordable performance incentive system for the bureaucracy.
 6. Estimating the cost impact of adjustments in salary and in the rates of allowances, benefits and incentives.
 7. Crafting the implementation strategy.

B. Review of the CPCS for GOCCs under E.O. No. 150

1. Diagnostics

Assessment of the current state of the implementation of GOCCs of the CPCS (strengths, gaps, and change opportunities) considering the goals and objectives of the compensation frameworks, design (remuneration mix) of the compensation frameworks and its competitiveness against the private sector, current trends and best practices, the views of the different

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- a. Total Operating Income for banking and financial institutions
 - b. Present value of new business premiums for life insurance institutions
 - c. Gross written premiums for general insurance institutions
 - d. Total revenues for other revenue generating organizations
 - e. Operating budget for non-profit organizations

¹⁴ United States of America, Singapore, Malaysia, Thailand, and Indonesia

stakeholders of the project, the performance of GOCCs, their overall contribution to the national economy, and the possible erosion in purchasing power due to inflation and other factors, among others.

2. Data Gathering

Gathering of reliable data on salaries and other compensation (basic salaries, allowances, bonuses, and incentives) of the Philippine private sector and national government, with focus on critical positions.

A survey shall be conducted following these parameters:

- 2.1. The survey shall be done for the GOCC benchmark positions.¹⁵ Each benchmark position shall have a minimum of ten (10) data points or survey responses from different companies.
- 2.2. The nationwide survey shall cover a cross-section of companies in various sectors with the following parameters:

Size of Firm	Company Financials¹⁶	Number of full-time equivalent employees
Small	<P8.25B	50 to 240
Medium	P8.25B to P55B	241 to 1,600
Large	More than P55B	more than 1,600

- 2.3. The survey shall cover firms all over the country with the following proportion: 50% in Luzon including NCR; 25% in Visayas; and 25% in Mindanao.
- 2.4. The survey shall also cover the compensation practices in the public sector (including the regulatory agencies) and the private sector for the following positions:
 - Members of the Board of Directors/Trustees
 - Head of Agency/Corporation
 - Executive level positions
 - Managerial positions
 - Supervisory positions
 - Senior professional positions
 - Entry level professional positions
 - General Staff/Clerical positions
 - Manual labor positions
 - Doctor
 - Nurse

¹⁵ To be determined with the consultant during the study.

¹⁶ Company financials shall refer to:

- a. Total Operating Income for banking and financial institutions
- b. Present value of new business premiums for life insurance institutions
- c. Gross written premiums for general insurance institutions
- d. Total revenues for other revenue generating organizations
- e. Operating budget for non-profit organizations

- Lawyer
- Information Technology Officer
- Unique positions of GOCCs¹⁷

3. Competitive Salary Analysis, Base Salary Structure Development for GOCCs, and Performance Incentive System Design

Analysis of survey results and comparison with the current total compensation framework under the CPCS.

Formulation of options on the salary schedule for personnel of GOCCs competitive with the prevailing rates for comparable jobs in firms in the private sector., as well as design of a competitive, equitable, and affordable performance incentive system, while considering the available financial resources of the government and which are applicable in accordance with existing laws, rules and treaties in which the Philippines is a party.

4. Review of the Position Classification System Under the CPCS

Conduct a review of the Job Evaluation methodology under the CPCS and the Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G).

5. Sectoral Competitive Analysis

Conduct of a comprehensive, up-to-date, and dynamic competitive analysis of the salaries of the GOCC sector vis-à-vis private sector, with focus on the identified critical positions in each GOCC sector.

Upon confirmation of the appropriate target market group (which shall include NGAs), the firm shall begin obtaining and securing market information. This shall be followed by the evaluation of various components of pay alongside market practice using the data obtained from the survey.

6. Design of Total Compensation for the GOCC sector

Creation of the total compensation under the reviewed CPCS for GOCCs which includes the basic salary, allowances, benefits, and incentives, incorporating the pay policy and the competitive salary analysis into the Compensation System of the CPCS. The GCG and the firm shall revisit and affirm the policies, guidelines, and parameters initially set forth by the parties.

7. Cost Impact

Estimating the cost impact of adjustments in salary and in the rates of allowances, benefits and incentives of GOCCs.

8. Change Management Planning

¹⁷ To be determined with the consultant during the study.

Proposal of a change management plan to be implemented across the GOCCs to aid the GCG in ensuring that the GOCC Sectors are equipped to adopt the changes brought about by the new CPCS. The plan shall be consistent with the following:

- 8.1. Efficient but comprehensive to cover communication strategies and resistance management.
 - 8.2. Specific guideposts for GCG and GOCCs to manage communication done at the level of the individual employee and at the organizational level.
 - 8.3. Sustainable change model that will not be constrained to the end of the CPCS Implementation but to be incorporated in all the phases of the CPCS project, especially during stages where engagements with GOCCs are optimal.
9. The scope of work in each of the abovementioned phases shall also include the following, if applicable:
- 9.1. Complete documentation of every phase;
 - 9.2. Data on best practices;
 - 9.3. Research method guides (interviews, FGDs, surveys) to enable GCG staff to replicate the processes, if necessitated;
 - 9.4. Consolidation and management of all data gathered;
 - 9.5. Training, user manual, testing of tools and technology that may be used and/or developed, including institutional arrangements, policies, and incentives which may take-off from the data obtained by the GCG and from the firm's database;
 - 9.6. General implementation guidelines and facilitation of change management and transition planning for the CPCS;
 - 9.7. Turnover all findings during researches and reviews conducted throughout the duration of the development of the CPCS;
 - 9.8. Provision of logistics and venue requirements in coordination with GCG whenever necessary; and
 - 9.9. Industry-specific findings and recommendations.

The end goal of the consulting service is the review of the current CPCS as well as knowledge and technology transfer to ensure that the pertinent GCG staff are able to independently carry-out and continue the work regarding CPCS development and implementation with limited advice from the firm or other experts.

IV. RESPONSIBILITIES OF THE DBM AND GCG

The DBM and the GCG, within the scope of their respective jurisdictions, shall determine the acceptability of the deliverables in the phases concerned and shall be the approving authority for all operations-related activities. In addition, discussions and results of the compensation study shall also be coordinated with the DBM and the GCG for comments, inputs, and further acceptability.

Further, the GCG shall remain responsible for the release of payment for the consultant's remuneration and reimbursable costs under the contract.

Moreover, the GCG, through the CPCS Secretariat, shall facilitate the study process by providing the following:

1. Assistance in coordinating with GCG-Office of the Commission Proper (OCP), other GCG units, and other related government agencies to solicit comments and inputs related to the study;
2. Technical and secretariat support to the study by coordinating meetings between the Consultant and appropriate units in GCG as well as in consolidating and processing of comments/recommendations/inputs.

V. QUALIFICATION REQUIREMENTS

The consultancy firm to be engaged in this project should have the following qualifications:

1. Legal capacity and solid experience in human resource management and compensation and benefits administration for at least five (5) years.
2. Has done satisfactory work with government institutions in the Philippines in designing position classification and compensation systems.
3. Has the capability to assign competent key personnel to work on the project, as follows:

Role	Minimum Number of Personnel	Qualifications
Project Champion	1	<ul style="list-style-type: none">● Preferably Filipino citizen● College degree holder, with at least 10 years' work experience in-designing position classification and compensation systems● Knowledgeable on Philippines Civil Service Laws, Rules and Regulations as well as applicable labor laws
Project Manager	1	<ul style="list-style-type: none">● Preferably Filipino citizen● College degree● At least 8 years of work experience in designing position classification and compensation-systems

Role	Minimum Number of Personnel	Qualifications
		<ul style="list-style-type: none"> ● Knowledgeable on Philippine Civil Service laws and government structure
Compensation Specialist	3	<ul style="list-style-type: none"> ● Preferably Filipino citizen ● College degree ● At least 6 years of work experience in compensation, benefits and rewards system design and/or administration ● Knowledgeable on Philippine Civil Service laws and government structure
Compensation Survey and Data Analysis Expert	2	<ul style="list-style-type: none"> ● Preferably Filipino citizen ● College degree ● At least 6 years of work experience in compensation and benefits survey and data analysis ● Knowledgeable on Philippine Civil Service laws and government structure

The firm must also have experience in developing compensation and position classification systems in the context of government institutions, for the purpose of ensuring acceptability of the resulting study. Experience of the firm in conducting the CPCS for the government sector shall also be an advantage.

The firm must also be able to provide the DBM and GCG during the duration of the project the necessary Human Resource (HR) and Talent Management analytical tools, Technology/Software that would enable it to do analysis and benchmarking, job leveling, and design of performance-based rewards systems. These analytical tools must preferably be supported by a comprehensive database containing talent and reward data on around 15,000 to 20,000 jobs or positions, local and abroad and an on-line platform to allow interface between the DBM, GCG and GOCCs. Preferably, such tools, technology, or software must be capable of customization and implementation in accordance to DBM and GCG requirements. Successful application of the software in the GOCC Sectors will be an advantage.

The firm shall also be financially capable to continue the services throughout the duration of the project in the event of any contingencies such as but not limited to, delay in payment or unforeseen business losses or reversals on the part of the firm.

VI. IMPLEMENTATION PERIOD, DELIVERABLES, SUBMISSION SCHEDULE, AND PAYMENT SCHEDULE

1. Implementation Period

The development of the CPCS shall be completed within nine (9) months, commencing from the date of receipt by the winning Consultant of the Notice to Proceed (NTP).

Accordingly, an Initial Report on Competitive Salary Analysis, Base Salary Structure Development, and Performance Incentive System Design for NG sector shall be provided by the consultant **within one (1) month from the receipt of the Notice to Proceed (NTP), subject to change upon mutual agreement between the consultant and the DBM.** The Final Report on the same shall be submitted within the prescribed timeline indicated Item VI (2).

2. Deliverables and Payment Schedule

The main output of the project will be the proposed CPCS for the NGA sector and eight (8) sectors of the GOCCs, which shall be presented to the GCG *En Banc*.

In the development of the CPCS, the Consultant shall submit to the GCG - for validation and approval¹⁸ - the deliverables of each phase, as can be seen below.

A project mobilization fee equivalent to 10% of the contract amount may be paid to the consultant, subject to the guidelines under pertinent laws and issuances.

Project Phase	Project Deliverables	Submission Schedule	Payment
Diagnostics	<ul style="list-style-type: none"> Consolidation and review of preliminary information obtained from DBM, GCG, sample GOCCs, and other stakeholders. Consolidation of preliminary agreements between DBM, GCG and the firm regarding the guiding principles in the review of the CPCS, ensuring that applicable Philippine laws, treaties and jurisprudence are observed during the crafting of the new CPCS. Documentation of the Project Planning, Methodology and Diagnostics Phase 	Within one (1) month from the receipt of the NTP	10%
Competitive Salary Analysis, Base Salary Structure Development, Recommendation on	<ul style="list-style-type: none"> Base Salary Structure of the NG and GOCCs Competitive Salary Analysis 	Within two (2) months from the receipt of the NTP	20%

¹⁸ Subject to Part IV of this TOR.

Project Phase	Project Deliverables	Submission Schedule	Payment
Allowances, Benefits and Incentives, and Performance Incentive System Design for NG and GOCCs	<ul style="list-style-type: none"> ● Recommendation on Allowances, Benefits and Incentives, including Provident Fund for NG and GOCCs ● Documentation of the Competitive Salary Analysis and Base Salary Structure Development Phase ● Report on Compensation Practices in Other Countries ● General implementation guidelines 		
Review of the Position Classification System and Index of Occupational Services for the GOCC Sector (IOS-G)	<ul style="list-style-type: none"> ● Desk audit and job evaluation results (if deemed necessary) ● Review of the Position Classification System of the CPCS, which should include, among others: <ul style="list-style-type: none"> ○ Manual and guidelines in using the Position Classification System ○ Benchmark and Sector-Specific jobs ○ Descriptors of each salary range ○ Test cases into the Position Classification System ○ Training of GCG personnel and/or GOCC representatives for ongoing implementation and future/succeeding evaluations ● Review of the Index of Occupational Services for GOCCs (IOS-G), which shall include the following, among others: 	Within three (3) months from the receipt of the NTP	20%

Project Phase	Project Deliverables	Submission Schedule	Payment
	<ul style="list-style-type: none"> ○ Guidelines in using the IOS-G ○ Review of IOS-G Codes assigned to positions of GOCCs with or without released Authorization to Implement (ATI) the CPCS ● Review of Career Banding of the positions ● Review of the mapping of salary grade to job grade equivalent of GOCCs implementing the SSL. ● Documentation of the Job Evaluation Phase 		
Sectoral Competitive Analysis	<ul style="list-style-type: none"> ● Consolidation and review of GOCC salary information ● Labor market data and analysis ● Competitive Analysis of Compensation of GOCC employees and officers against the prevailing market/private sector compensation ● Documentation of the Competitive Salary Analysis (Sector-Specific) Phase 	Within three (3) months from the receipt of the NTP	30%
Base Pay Structure Research and Design for the GOCC Sectors	<ul style="list-style-type: none"> ● Confirm salary structure design parameters (e.g. positioning objective, target market) ● Utilizing data gathered from previous steps, update the CPCS base pay structure(s) that will align salaries with the identified target market and positioning objective and address the possible erosion in purchasing 	Within four (4) months from the receipt of the NTP	

Project Phase	Project Deliverables	Submission Schedule	Payment
	<p>power due to inflation over the span of three (3) years</p> <ul style="list-style-type: none"> ● Updated Base Pay Structure Design of the CPCS ● Documentation of the updated Base Pay Structure Design Phase ● Salary structure recommendations ● Compensation Manual ● Methodology on the Migration of GOCCs from current compensation framework to the updated CPCS compensation framework 		
Change Management Planning	<ul style="list-style-type: none"> ● Overall transition strategy and implementation plan for NG and GOCCs ● Transition guidelines related to the new systems ● Communications strategy and draft content for employee communication of NG and GOCCs ● Front-Line Manager Communication Toolkits ● Train-the-trainer session materials and/or facilitated train-the-trainer sessions ● Tailored transition support for each GOCC 	Within six (6) months from the receipt of the NTP	10%
Final Report	<ul style="list-style-type: none"> ● Final report on CPCS (for NG and GOCCs) as accepted by DBM and GCG ● Report and copy of working files of the new compensation framework and cost estimates 	Within six (6) months from the receipt of the NTP	10%

Project Phase	Project Deliverables	Submission Schedule	Payment
	<ul style="list-style-type: none"> • Presentation materials and refinement of the CPCS, and actual conduct of presentation of the final report. 		

The DBM and the GCG shall be entitled to the following rights:

1. Retain ownership of all original data and materials, and the intellectual property rights in the data provided to the Firm;
2. Right to use, reproduce, and adapt the copies of the work product resulting from the completion of the study; and
3. Right to disseminate the results of the study to other government agencies and the general public without need of notice or permission to the firm.

VII. APPROVED BUDGET FOR THE CONTRACT (ABC)

The approved budget for the review of the CPCS for the government sector project is **Forty-Eight Million Pesos (₱48,000,000.00)**.

Taxes, representation, transportation, travel, accommodation and other expenses, and out-of-pocket costs are for the account for the consultancy firm and shall be deemed included in the contract price.

***** NOTHING FOLLOWS *****

CRITERIA FOR EVALUATION OF PROPOSALS

TECHNICAL PROPOSAL (80%)
I. Quality of Personnel (35%)
<ul style="list-style-type: none">➤ 1 Project Champion (10 points)<ul style="list-style-type: none">- Educational Attainment (20%)- Work Experience (60%)- Knowledgeable on Philippine Civil Service Laws, Rules and Regulations as well as applicable Labor Laws - (20%)➤ 1 Project Manager (9 points)<ul style="list-style-type: none">- Educational Attainment (20%)- Work Experience (60%)- Knowledgeable on Philippine Civil Service Laws, Rules and Regulations as well as applicable Labor Laws - (20%)➤ 3 Compensation Specialist (24 points, 8 each specialist)<ul style="list-style-type: none">- Educational Attainment (20%)- Work Experience (60%)- Knowledgeable on Philippine Civil Service Laws, Rules and Regulations as well as applicable Labor Laws - (20%)➤ 2 Compensation Survey and Data Analysis Expert (12 points, 6 each personnel)<ul style="list-style-type: none">- Educational Attainment (20%)- Work Experience (60%)- Knowledgeable on Philippine Civil Service Laws, Rules and Regulations as well as applicable Labor Laws - (20%)
II. Experience and Capability of the Consultant (25%)
<ul style="list-style-type: none">➤ Number of projects handled relative to the proposed consulting service (15 points)➤ Number of years of experience relative to proposed consulting service (10 points)
III. Plan of Approach and Methodology (40%)
<ul style="list-style-type: none">➤ Completeness (Approach for the scope of work as indicated in Item III in the Terms of Reference) – 10 points➤ Comprehensiveness – 25 points➤ Risk Management Planning (Actual risk and mitigation plan for the project) – 5 points
FINANCIAL PROPOSAL (20%)
<p>The lowest Financial Proposal (Fm) shall be given a Financial Score (Sf) of 100 points. The Sf of other Financial Proposals shall be computed based on the formula indicated below:</p> $Sf = 100 \times FI/F$ <p>Where: Sf is the financial score of the Financial Proposal under consideration, FI is the price of the Fm, and F is the price of the Financial Proposal under consideration.</p>

Note:

- Using the formula $S = St \times T\% + Sf \times F\%$, the Proposal shall then be ranked according to their combined St and Sf using the weights (T = the weight given to the Technical Proposal; F = the weight given to the Financial Proposal; $T + F = 1$)
- *The Consultant with the highest combined numerical ratings is identified as the Highest Rated Offer.*

**CHECKLIST OF REQUIREMENTS FOR
CONSULTANCY SERVICES FOR THE REVIEW OF THE
COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS)
FOR THE GOVERNMENT SECTOR**

A. Eligibility Documents		
<i>Class "A" Documents</i>		
<u><i>Legal Documents</i></u>		
1.	PhilGEPS Certificate of Registration and Membership in accordance with Section 8.5.2 of the IRR;	
<i>Class "B" Documents</i>		
2.	<p>If applicable, a duly signed joint venture agreement (JVA) in case the joint venture is already in existence;</p> <p><u>or</u></p> <p>duly notarized statements from all the potential joint venture partners stating that they will enter into and abide by the provisions of the JVA in the instance that the negotiation is successful.</p>	
B. Technical Proposal		
1.	TPF 1. Technical Proposal Submission Form	
2.	Required Proposal Security Form (any of the following)	
	<p>a. A bank draft/guarantee or an irrevocable Letter of Credit issued by a foreign bank, it shall be accompanied by a confirmation from a Universal or Commercial Bank (2% of the ABC):</p>	
	<p>b. A surety bond accompanied by a certification coming from the Insurance Commission that the surety or insurance company is authorized to issue such instrument. (5% of the ABC):</p>	
	c. Proposal Securing Declaration	
3.	TPF 2. Consultant's References	
4.	TPF 3. Comments and Suggestions of Consultant on the Terms of Reference and on Data, Services, and Facilities to be Provided by the Procuring Entity	
5.	TPF 4. Description of the Methodology and Work Plan for Performing the Project	
6.	TPF 5. Team Composition and Task	

7.	TPF 6. Format of Curriculum Vitae (CV) for Proposed Professional Staff	
8.	TPF 7. Time Schedule for Professional Personnel	
9.	TPF 8. Activity (Work) Schedule	
10.	TPF 9. Statement of Ongoing and Completed Projects similar with this project	
11.	Omnibus Sworn Statement	
C. Financial Proposal		
1.	FPF 1. Financial Proposal Submission Form	
2.	FPF 2. Summary of Costs	
3.	FPF 3. Breakdown of Price per Activity	
4.	FPF 4. Breakdown of Remuneration per Activity	
5.	FPF 5. Reimbursable per Activity	
6.	FPF 6. Miscellaneous Expenses	
7.	(Proposed Contract Amount) ≤ ₱48,000,000.00	

TPF 1. Technical Proposal Submission Form

[Date]

[Name and address of the Procuring Entity]

Ladies/Gentlemen:

We, the undersigned, offer to provide the **CONSULTANCY SERVICES FOR THE REVIEW OF THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS) FOR THE GOVERNMENT SECTOR** in accordance with your Procurement Documents dated [insert date] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

In accordance with **ITB** Clause 21.1, we confirm that the information contained in the eligibility documents submitted earlier together with the Expression of Interest remain correct as of the date of proposal submission.

If negotiations are held during the period of proposal validity, *i.e.*, before [insert date], we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from contract negotiations.

In accordance with **GCC** Clause 51, we acknowledge and accept the Procuring Entity's right to inspect and audit all records relating to our Proposal irrespective of whether we enter into a contract with the Procuring Entity as a result of this Proposal or not.

We understand you are not bound to accept any proposal received for the selection of a consultant for the Project.

We acknowledge that failure to sign this Technical Proposal Submission Form and the abovementioned Financial Proposal Submission Form shall be a ground for the rejection of our Proposal.

We remain,

Yours sincerely,

Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

TPF 2. Consultant's References

**Relevant Services Carried Out in the Last Ten Years
That Best Illustrate Qualifications**

Using the format below, provide information on each project for which your firm/entity, either individually, as a corporate entity, or as one of the major companies within an association, was legally contracted.

Project Name:		Country:
Location within Country:		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client:		Nº of Staff:
Address:		Nº of Staff-Months; Duration of Project:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current US\$):
Name of Associated Consultants, if any:		Nº of Months of Professional Staff Provided by Associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

Consultant's Name: _____

TPF 3. Comments and Suggestions of Consultant on the Terms of Reference and on Data, Services, and Facilities to be Provided by the Procuring Entity

On the Terms of Reference:

- 1.
- 2.
- 3.
- 4.
- 5.

On the data, services, and facilities to be provided by the Procuring Entity:

- 1.
- 2.
- 3.
- 4.
- 5.

TPF 4. Description of the Methodology and Work Plan for Performing the Project

TPF 5. Team Composition and Task

1. Project Champion		
Name	Position	Task

2. Project Manager		
Name	Position	Task

3. Compensation Specialist		
Name	Position	Task

4. Compensation Survey/ Data Analysis Expert		
Name	Position	Task

5. Where applicable, indicate relationships among the Consultant and any partner and/or subconsultant, the Procuring Entity, the Funding Source and other parties or stakeholders.

--

TPF 6. Format of Curriculum Vitae (CV) for Proposed Professional Staff

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm/Entity: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on project. Describe degree of responsibility held by staff member on relevant previous projects and give dates and locations. Use about half a page]

Education/Professional Certification:

[Summarize college/university, and other specialized education, and degrees/certificates obtained, giving names of schools/institutions, and inclusive dates attended/conferred, and degrees/certificates obtained. Use about half a page]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and key responsibility. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]

Experience Relevant to the Qualifications Required:

[Provide outline of relevant positions/projects undertaken including position, office/client, project title (if applicable), inclusive dates, summary of duties and responsibilities, and status of project. Include project management experience for Project Manager and Project Champion. Use about two pages]

Languages:

[For each language, indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

Commitment:

I also commit to work for the Project in accordance with the time schedule as indicated in the contract once the firm is awarded the Project.

_____ Date: _____
[Signature of staff member and authorized representative of the firm] Day/Month/Year

Full name of staff member: _____
Full name of authorized representative: _____

SUBSCRIBED AND SWORN to before me this ___ day of [month] [year] at [place of execution], Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. _____.

Witness my hand and seal this ___ day of [month] [year].

NAME OF NOTARY PUBLIC

Serial No. of Commission _____
Notary Public for _____ **until** _____
Roll of Attorneys No. _____
PTR No. ____, [date issued], [place issued]
IBP No. ____, [date issued], [place issued]
Doc. No. ____
Page No. ____
Book No. ____
Series of _____.

TPF 7. Time Schedule for Professional Personnel

			Months (in the Form of a Bar Chart)												
Name	Position	Reports Due/Activities	1	2	3	4	5	6	7	8	9	10	11	12	Number of Months
															Subtotal (1)
															Subtotal (2)
															Subtotal (3)
															Subtotal (4)

Full-time: _____
 Reports Due: _____
 Activities Duration: _____
 Location _____

Part-time: _____

Signature: _____
 (Authorized representative)

Full Name: _____
 Title: _____
 Address: _____

TPF 8. Activity (Work) Schedule

A. Field Investigation and Study Items

	<i>[1st, 2nd, etc. are months from the start of project.]</i>												
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	
Activity (Work)													

B. Completion and Submission of Reports

Reports	Date
1. Inception Report	
2. Interim Progress Report (a) First Status Report (b) Second Status Report	
3. Draft Report	
4. Final Report	

TPF 9. Statement of Ongoing and Completed Projects
Similar with this Project

Business Name: _____

Business Address: _____

NAME AND LOCATION OF THE PROJECT	INCLUSIVE YEARS OF THE PROJECT	BRIEF DESCRIPTION OF THE PROJECT	CONSULTANT'S ROLE	PROJECT DURATION

Name and Signature of Authorized
Representative

Date

Instructions:

1. State completed contracts within the last 20 years. Contracts that are similar to the project being procured in terms of nature and amount shall be prioritized in inclusion in the list.

OMNIBUS SWORN STATEMENT

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF _____) S.S.

AFFIDAVIT

I, *[Name of Affiant]*, of legal age, *[Civil Status]*, *[Nationality]*, and residing at *[Address of Affiant]*, after having been duly sworn in accordance with law, do hereby depose and state that:

1. **Select one, delete the other:**

If a sole proprietorship: I am the sole proprietor or authorized representative of *[Name of Consultant]* with office address at *[address of Consultant]*;

If a partnership, corporation, cooperative, or joint venture: I am the duly authorized and designated representative of *[Name of Consultant]* with office address at *[address of Consultant]*;

2. **Select one, delete the other:**

If a sole proprietorship: As the owner and sole proprietor or authorized representative of *[Name of Consultant]*, I have full power and authority to do, execute and perform any and all acts necessary to participate, submit the proposal, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]**[insert "as shown in the attached duly notarized Special Power of Attorney" for authorized representative]*;

If a partnership, corporation, cooperative, or joint venture: I am granted full power and authority to do, execute and perform any and all acts necessary to participate, submit the proposal, and to sign and execute the ensuing contract for *[Name of the Project]* of the *[Name of the Procuring Entity]*, accompanied by the duly notarized Special Power of Attorney, Board/Partnership Resolution, or Secretary's Certificate, whichever is applicable;

3. *[Name of Consultant]* is not "blacklisted" or barred from participating in procurement by the Government of the Philippines or any of its agencies, offices, corporations, or Local Government Units, foreign government/foreign or international financing institution whose blacklisting rules have been recognized by the Government Procurement Policy Board;

4. Each of the documents submitted in satisfaction of the procurement requirements is an authentic copy of the original, complete, and all statements and information provided therein are true and correct;

5. *[Name of Consultant]* is authorizing the Head of the Procuring Entity or its duly authorized representative(s) to verify all the documents submitted;

6. **Select one, delete the rest:**

If a sole proprietorship: The owner or sole proprietor is not related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a partnership or cooperative: None of the officers and members of *[Name of Prospective Consultant]* is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

If a corporation or joint venture: None of the officers, directors, and controlling stockholders of *[Name of Consultant]* is related to the Head of the Procuring Entity, members of the Bids and Awards Committee (BAC), the Technical Working Group, and the BAC Secretariat, the head of the Project Management Office or the end-user unit, and the project consultants by consanguinity or affinity up to the third civil degree;

7. *[Name of Consultant]* complies with existing labor laws and standards; and
8. *[Name of Consultant]* is aware of and has undertaken the following responsibilities as a Prospective Consultant:
 - a) Carefully examine all of the Procurement Documents;
 - b) Acknowledge all conditions, local or otherwise, affecting the implementation of the Contract;
 - c) Made an estimate of the facilities available and needed for the contract to be negotiated, if any; and
 - d) Inquire or secure Supplemental Bulletin(s) issued for the *[Name of the Project]*.
9. *[Name of Prospective Consultant]* did not give or pay directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of the government in relation to any procurement project or activity.
10. **In case advance payment was made or given, failure to perform or deliver any of the obligations and undertakings in the contract shall be sufficient grounds to constitute criminal liability for Swindling (Estafa) or the commission of fraud with unfaithfulness or abuse of confidence through misappropriating or converting any payment received by a person or entity under an obligation involving the duty to deliver certain goods or services, to the prejudice of the public and the government of the Philippines pursuant to Article 315 of Act No. 3815 s. 1930, as amended, or the Revised Penal Code.**

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of ___, 20__ at _____, Philippines.

*[Insert NAME OF BIDDER OR ITS
AUTHORIZED REPRESENTATIVE]
[Insert signatory's legal capacity]
Affiant*

SUBSCRIBED AND SWORN to before me this ___ day of *[month]* *[year]* at *[place of execution]*, Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her *[insert type of government identification card used]*, with his/her photograph and signature appearing thereon, with no. _____.

Witness my hand and seal this ___ day of *[month]* *[year]*.

NAME OF NOTARY PUBLIC

Serial No. of Commission _____
Notary Public for _____ **until** _____
Roll of Attorneys No. _____
PTR No. __, *[date issued]*, *[place issued]*
IBP No. __, *[date issued]*, *[place issued]*
Doc. No. ____
Page No. ____
Book No. ____
Series of _____.

PROPOSAL SECURING DECLARATION

(REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.
X-----X

Invitation for Negotiation *[Insert reference number]*

To: *[Insert name and address of the Procuring Entity]*

I/We, the undersigned, declare that:

1. I/We understand that, according to your conditions, proposals must be supported by a Proposal Security, which may be in the form of a Proposal Securing Declaration.
2. I/We accept that: (a) I/we will be automatically disqualified from bidding for any contract with any procuring entity for a period of two (2) years upon receipt of your Blacklisting Order; and, (b) I/we will pay the applicable fine provided under Section 6 of the Guidelines on the Use of Bid Securing Declaration, within fifteen (15) days from receipt of written demand by the procuring entity for the commission of acts resulting to the enforcement of the securing declaration under Sections 23.1(b), 34.2, 40.1 and 69.1, except 69.1 (f), of the IRR of RA 9184; without prejudice to other legal action the government may undertake.
3. I/We understand that this Proposal Securing Declaration shall cease to be valid on the following circumstances:
 - a. Upon expiration of the proposal validity period, or any extension thereof pursuant to your request;
 - b. I am/we are declared ineligible or post-disqualified upon receipt of your notice to such effect, and (i) I/we failed to timely file a request for reconsideration or (ii) I/we filed a waiver to avail of said right;
 - c. I am/we are declared as the prospective consultant with the Highest Rated Responsive Offer, and I/we have furnished the performance security and signed the Contract.

IN WITNESS WHEREOF, I/We have hereunto set my/our hand/s this ____ day of [month] [year] at [place of execution].

[Insert NAME OF AUTHORIZED REPRESENTATIVE]

[Insert signatory's legal capacity]

Affiant

SUBSCRIBED AND SWORN to before me this __ day of [month] [year] at [place of execution], Philippines. Affiant/s is/are personally known to me and was/were identified by me through competent evidence of identity as defined in the 2004 Rules on Notarial Practice (A.M. No. 02-8-13-SC). Affiant/s exhibited to me his/her [insert type of government identification card used], with his/her photograph and signature appearing thereon, with no. _____.

Witness my hand and seal this ____ day of [month] [year].

NAME OF NOTARY PUBLIC

Serial No. of Commission _____

Notary Public for _____ **until** _____

Roll of Attorneys No. _____

PTR No. __, [date issued], [place issued]

IBP No. __, [date issued], [place issued]

Doc. No. ____

Page No. ____

Book No. ____

Series of ____.

FINANCIAL PROPOSAL FORMS

Notes for Consultants

The following summarizes the content of the Financial Proposal.

Cover Letter

Use **Error! Reference source not found.**, which is an acknowledgement that, in preparation and submission of the Technical and Financial Proposals, Consultants have:

- (a) followed the applicable rules and guidelines indicated in this ITB;
- (b) not taken any action which is or constitutes a corrupt, fraudulent, or coercive practice as defined in the applicable rules and guidelines; and
- (c) agrees to allow the Procuring Entity and the Funding Source, at their option, to inspect and audit all accounts, documents, and records relating to the its Proposal and to the performance of the ensuing contract.

Costs of Consulting Services

Use **Error! Reference source not found.**; **Error! Reference source not found.**; **Error! Reference source not found.**; **Error! Reference source not found.**; and **Error! Reference source not found.**.

FPF 1. Financial Proposal Submission Form

[Date]

[Name and address of the Procuring Entity]

Ladies/Gentlemen:

We, the undersigned, offer to provide the **CONSULTANCY SERVICES FOR THE REVIEW OF THE COMPENSATION AND POSITION CLASSIFICATION SYSTEM (CPCS) FOR THE GOVERNMENT SECTOR** in accordance with your Procurement Documents dated *[insert date]* and our Proposal (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of *[amount in words and figures]*. This amount is exclusive of the local taxes, which we have estimated at *[amount(s) in words and figures]*.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the proposal validity period, *i.e.*, *[Date]*.

In accordance with **GCC Clause Error! Reference source not found.**, we acknowledge and accept the Procuring Entity's right to inspect and audit all records relating to our Proposal irrespective of whether we enter into a contract with the Procuring Entity as a result of this Proposal.

We confirm that we have read, understood and accept the contents of the Instructions to Bidders (ITB), the Bid Data Sheet (BDS), General Conditions of Contract (GCC), Special Conditions of Contract (SCC), Terms of Reference (TOR), the provisions relating to the eligibility of Consultant and the applicable guidelines for the procurement rules of the Funding Source, any and all bulletins issued and other attachments and inclusions included in the Procurement Documents sent to us.

We understand you are not bound to accept any proposal you receive.

We remain,

Yours sincerely,
Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

FPF 2. Summary of Costs

Costs	Currency(ies) ²¹	Amount in Philippine Peso
Subtotal		
Local Taxes		
Total Amount of Financial Proposal		_____

²¹ In cases of contracts involving foreign consultants, indicate the exchange rate used.

FPF 3. Breakdown of Price per Activity

Activity No.: _____	Activity No.: _____	Description: _____
Price Component	Currency(ies) ²²	Amount in Philippine Peso
Remuneration		
Reimbursables		
Miscellaneous Expenses		
Subtotal		_____

²² In cases of contracts involving foreign consultants, indicate the exchange rate used.

FPF 4. Breakdown of Remuneration per Activity

Activity No. _____		Name: _____		
Names	Position	Input ²³	Remuneration Currency(ies) Rate	Amount
Regular staff				
Local staff				
Consultants				
Grand Total				_____

²³ Staff months, days, or hours as appropriate.

FPF 5. Reimbursables per Activity

Activity No: _____

Name: _____

No.	Description	Unit	Quantity	Unit Price In	Total Amount In
1.	International flights _____	Trip			
2.	Miscellaneous travel expenses	Trip			
3.	Subsistence allowance	Day			
4.	Local transportation costs ²⁴				
5.	Office rent/accommodation/ clerical assistance				
	Grand Total				_____

²⁴ Local transportation costs are not included if local transportation is being made available by the Entity. Similarly, in the project site, office rent/accommodations/clerical assistance costs are not to be included if being made available by the Entity.

FPF 6. Miscellaneous Expenses

Activity No. _____ Activity Name: _____

No.	Description	Unit	Quantity	Unit Price	Total Amount
1.	Communication costs between _____ and _____ (telephone, telegram, telex)				
2.	Drafting, reproduction of reports				
3.	Equipment: vehicles, computers, etc.				
4.	Software				
	Grand Total				_____

FORM OF CONTRACT AGREEMENT

THIS AGREEMENT, made this *[insert date]* day of *[insert month]*, *[insert year]* between *[name and address of Procuring Entity]* (hereinafter called the "Entity") and *[name and address of Consultant]* (hereinafter called the "Consultant").

WHEREAS, the Entity is desirous that the Consultant execute *[name and identification number of contract]* (hereinafter called "the Works") and the Entity has accepted the proposal for *[insert the amount in specified currency in numbers and words]* by the Consultant for the execution and completion of such Consulting Services and the remedying of any defects therein.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be attached, deemed to form, and be read and construed as part of this Agreement, to wit:
 - (a) General and Special Conditions of Contract;
 - (b) Terms of Reference
 - (c) Request for Expression of Interest;
 - (d) Instructions to Bidders;
 - (e) Bid Data Sheet;
 - (f) Addenda and/or Supplemental Bulletins, if any;
 - (g) Procurement forms, including all the documents/statements contained in the proposal envelopes, as annexes, and all other documents/statements submitted (e.g., response to request for clarifications), including corrections, if any, resulting from the Procuring Entity's evaluation of proposals;
 - (h) Eligibility requirements, documents and/or statements;
 - (i) Performance Security;
 - (j) Notice of Award of Contract and the Consultant's conforme thereto;
 - (k) Other contract documents that may be required by existing laws and/or the Entity.
3. In consideration of the payments to be made by the Entity to the Consultant as hereinafter mentioned, the Consultant hereby covenants with the Entity to execute and complete the Consulting Services and remedy any defects therein in conformity with the provisions of this Consultant in all respects.
4. The Entity hereby covenants to pay the Consultant in consideration of the execution and completion of the Consulting Services, the Contract Price or such other sum as may become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

IN WITNESS whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

Binding Signature of Procuring Entity

Binding Signature of Consultant

[Addendum showing the corrections, if any, made during the proposal evaluation should be attached with this agreement]

Section VIII. Appendices

I. Description of Services

Give detailed descriptions of the Services to be provided, dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by Client, etc.

II. Reporting Requirements

List format, frequency, and contents of reports; persons to receive them; dates of submission; etc. If no reports are to be submitted, state here "Not applicable."

III. Key Personnel and Subconsultants

List under:

1. Titles [and names, if already available], detailed job descriptions and minimum qualifications, and staff-months of service, and estimated periods of engagement for each, including a copy of a satisfactory medical certificate.
2. Same information as in no. 1 for Key foreign Personnel to be assigned to work outside the Government's country.
3. Same information as in no.1 for Key Local Personnel.
4. List of approved Subconsultants (if already available) and Counterpart personnel (if allowed); same information with respect to their Personnel as in no.'s 1 and 2.

IV. Breakdown of Contract Price

List here the elements of cost, including expenditures in foreign currency(ies) denominated and payable in Philippine Peso, used to arrive at the itemized breakdown of the contract price:

1. Monthly rates for Personnel (Key Personnel and other Personnel)
2. Reimbursable expenditures
3. Applicable taxes

V. Services and Facilities Provided by the Client

Give detailed description of the services and facilities made available to the Consultant, and the time and manner of its availment.

VI. Consultant's Representations Regarding Costs and Charges

Breakdown of Remuneration Rates, WB funded projects using Quality Based Selection, Selection Based on the Consultant's Qualifications and Single Source Selection.

1. Review of Remuneration Rates

1.1 The remuneration rates for staff are made up of salary, social costs, overheads, fee that is profit, and any premium or allowance paid for projects away from headquarters. To assist the Consultant in preparing for financial negotiations, a sample form giving a breakdown of rates is attached (no financial information should be included in the Technical Proposal). Agreed breakdown sheets shall form part of the negotiated contract.

1.2 The Procuring Entity is charged with the custody of Government funds and is expected to exercise prudence in the expenditure of these funds. The Procuring Entity is, therefore, concerned with the reasonableness of the firm's Financial Proposal, and, during negotiations, it expects to be able to review audited financial statements backing up the Consultant's remuneration rates, certified by an independent auditor. The Consultant shall be prepared to disclose such audited financial statements for the last three years, to substantiate its rates, and accept that its proposed rates and other financial matters are subject to scrutiny. Rate details are discussed below.

(i) Salary

This is the gross regular cash salary paid to the individual in the Consultant's home office. It shall not contain any premium for work away from headquarters or bonus (except where these are included by law or government regulations).

(ii) Bonus

Bonuses are normally paid out of profits. Because the Procuring Entity does not wish to make double payments for the same item, staff bonuses shall not normally be included in the rates. Where the Consultant's accounting system is such that the percentages of social costs and overheads are based on total revenue, including bonuses, those percentages shall be adjusted downward accordingly. Where national policy requires that thirteen (13) months' pay be given for twelve (12) months' work, the profit element need not be adjusted downward. Any discussions on bonuses shall be supported by audited documentation, which shall be treated as confidential.

(iii) Social Costs

Social costs are the costs to the Consultant of staff's non-monetary benefits. These items include, *inter alia*, pension, medical and life insurance costs, and the cost of a staff member being sick or on vacation. In this regard, the cost of leave for public holidays is not an acceptable social cost nor is the cost of leave taken during the Contract if no additional staff replacement has been provided. Additional leave taken at the end of the Contract in accordance with the Consultant's leave policy is acceptable as a social cost.

(iv) Cost of Leave

The principles of calculating the cost of total days leave per annum as a percentage of basic salary shall normally be as follows:

$$\text{Leave cost as percentage of salary}^{25} = \frac{\text{total days leave} \times 100}{[365 - w - ph - v - s]}$$

²⁵ Where w = weekends, ph = public holidays, v = vacation, and s = sick leave.

It is important to note that leave can be considered a social cost only if the Procuring Entity is not charged for the leave taken.

(v) Overheads

Overhead expenses are the firm's business costs that are not directly related to the execution of the project and shall not be reimbursed as separate items under the Contract. Typical items are home office costs (partner's time, non-billable time, time of senior staff monitoring the project, rent, support staff, research, staff training, marketing, etc.), the cost of staff not currently employed on revenue-earning projects, and business promotion costs. During negotiations, audited financial statements, certified as correct by an independent auditor and supporting the last three years' overheads, shall be available for discussion, together with detailed lists of items making up the overheads and the percentage by which each relates to basic salary. The Procuring Entity does not accept an add-on margin for social charges, overhead expenses, etc., for staff who are not permanent employees of the firm. In such case, the firm shall be entitled only to administrative costs and fee on the monthly payments charged for subcontracted staff.

(vi) Fee or Profit

The fee or profit shall be based on the sum of the salary, social costs, and overhead. If any bonuses paid on a regular basis are listed, a corresponding reduction in the profit element shall be expected. Fee or profit shall not be allowed on travel or other reimbursable expenses, unless in the latter case an unusually large amount of procurement of equipment is required. The Consultant shall note that payments shall be made against an agreed estimated payment schedule as described in the draft form of the Contract.

(vii) Away from Headquarters Allowance or Premium

Some consultants pay allowances to staff working away from headquarters. Such allowances are calculated as a percentage of salary and shall not draw overheads or profit. Sometimes, by law, such allowances may draw social costs. In this case, the amount of this social cost shall still be shown under social costs, with the net allowance shown separately. For concerned staff, this allowance, where paid, shall cover home education, etc.; these and similar items shall not be considered as reimbursable costs.

(viii) Subsistence Allowances

Subsistence allowances are not included in the rates, but are paid separately and in local currency. No additional subsistence is payable for dependents — the subsistence rate shall be the same for married and single team members.

UNDP standard rates for the particular country may be used as reference to determine subsistence allowances.

2. Reimbursables

2.1 The financial negotiations shall further focus on such items as out-of-pocket expenses and other reimbursables. These costs may include, but are not restricted to, cost of surveys, equipment, office rent, supplies, international and local travel, computer rental, mobilization and demobilization, insurance, and printing. These costs may be either fixed or reimbursable in foreign or local currency.

3. Bank Guarantee

3.1 Payments to the Consultant, including payment of any advance based on cash flow projections covered by a bank guarantee, shall be made according to an agreed estimated schedule ensuring the firm regular payments in local and foreign currency, as long as the services proceed as planned.

VII. BREAKDOWN OF AGREED FIXED RATES²⁶

[Currencies: _____²⁷]

Consultants		1	2	3	4	5	6	7	8
Name	Position	Basic Rate ²⁸	Social Charge (__% of 1)	Overhead (__% of 1)	Subtotal	Fee (__% of 4)	Away from Headquarter s Allowance (__ % of 1)	Total Agreed Fixed Rate	Agreed Fixed Rate (__ % of 1)
Philippines									
Home Office									

Signature of Consultant: _____

Date: _____

Authorized Representative: _____

Name: _____

Title: _____

²⁶ This model form is given for negotiation purposes only. It is not part of the proposals (technical or financial).

²⁷ If different currencies, a different table for each currency should be used.

²⁸ Per month, day, or hour as appropriate.