



PURCHASE REQUEST

23 - 0029

Entity Name: Governance Commission for GOCCs (GCG)

Fund Cluster: _____

Office/Section : Corporate Standards Office (CSO)		PR No.: _____		Date: 06 June 2023	
		Responsibility Center Code : _____			
Stock/ Property No.	Unit	Item Description	Quantity	Unit Cost	Total Cost
	lot	Consultancy Services for the Review of the Compensation and Position Classification System for the Government Sector	1		₱48,000,000.00

Purpose: To provide a sound and reliable basis for the review of the CPCS for the government sector

Requested by:

Signature :

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GCG Received by: Meilyn Moral
PMD Receipt date: 13 June 2023

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;

X X X

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
2021	Approval of E.O. No. 150	Year 2 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
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,
 - Effectiveness of the performance-based pay.

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

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:

- 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

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 stakeholders of the project, the performance of GOCCs, their overall

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

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 Financials ¹⁶	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
- Lawyer
- Information Technology Officer

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

- 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

Proposal of a change management plan to be implemented across the GOCCs to aid the GCG in ensuring that the GOCC Sectors are equipped

¹⁷ To be determined with the consultant during the study.

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 ● Knowledgeable on Philippine Civil Service laws and government structure
Compensation Specialist	3	<ul style="list-style-type: none"> ● Preferably Filipino citizen ● College degree

Role	Minimum Number of Personnel	Qualifications
		<ul style="list-style-type: none"> ● 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 the month of October 2023, 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 Allowances, Benefits and Incentives, and Performance Incentive System	<ul style="list-style-type: none"> Base Salary Structure of the NG and GOCCs Competitive Salary Analysis Recommendation on Allowances, Benefits and Incentives, including 	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
Design for NG and GOCCs	Provident Fund for NG and GOCCs <ul style="list-style-type: none"> ● 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: <ul style="list-style-type: none"> ○ Guidelines in using the IOS-G 	Within three (3) months from the receipt of the NTP	20%

Project Phase	Project Deliverables	Submission Schedule	Payment
	<ul style="list-style-type: none"> ○ 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	
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 power due to inflation over the span of three (3) years 	Within four (4) months from the receipt of the NTP	30%

Project Phase	Project Deliverables	Submission Schedule	Payment
	<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 ● Presentation materials and refinement of the CPCS, and actual conduct of 	Within six (6) months from the receipt of the NTP	10%

Project Phase	Project Deliverables	Submission Schedule	Payment
	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 *****