

**CONTRACT FOR THE  
NATIONWIDE COMPENSATION SURVEY**

This Contract is entered into this 1st day of June, 2013, by and between the following:

**DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)**, a government agency created by virtue of the laws of the Republic of the Philippines, with principal office address at DBM Building II, Gen. Solano St., San Miguel Manila, represented herein by its Secretary, **FLORENCIO B. ABAD** ("the Client");

-and -

**JEAN-PIERRE P.E. TOLENTINO** ("the Consultant") of legal age with principal address at No. 2 Libra Street, Cinco Hermanos Subdivision, IVC, Marikina City.


**WHEREAS**, the Department of Budget and Management (DBM) intends to hire a consultant to do work that is highly technical for the Organization, Position Classification and Compensation Bureau (OPCCB);

**WHEREAS**, based on the Curriculum Vitae submitted, the OPCCB selected Jean-Pierre P.E. Tolentino as Consultant to undertake overall planning and orchestration of the compensation survey activities including the development of the survey methodology and survey instruments, actual conduct of survey proper, processing and analysis of results, formulation of recommendations on salary schedule options for the government, and training of OPCCB personnel;

**WHEREAS**, under Section 53.7 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, negotiated procurement may be resorted to in the case of individual consultants engaged to do work that is highly technical or primarily confidential or policy determining, where trust and confidence are the primary considerations for the hiring of consultants;

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the parties hereby mutually stipulate and agree as follows:

<b>1. Services</b>	The Consultant shall perform the services specified in Annex A, "Terms of Reference and Scope of Services," which is made an integral part of this Contract ("the Services").
<b>2. Term</b>	The Consultant shall perform the Services during the period commencing June 1, 2013 and continuing through October 31, 2013 or any other period as may be subsequently agreed by the parties in writing.
<b>3. Payment</b>	<b>A. Ceiling</b>
	For Services rendered pursuant to Annex A, the Client shall pay the Consultant an amount not to exceed Php150,000.00 per month. This amount has been established based on the understanding that it includes all the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant.
	<b>B. Schedule of Payments</b>
	The monthly fee shall be paid only upon submission of the



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES )  
CITY OF MANILA ) S.S.

BEFORE ME, a Notary Public for and in the City of MANILA, Philippines, personally appeared the following:

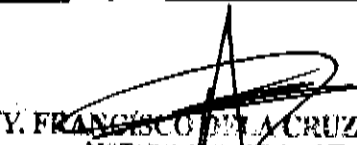
NAME	VALID ID	VALID UNTIL
FLORENCIO B. ABAD	DBM ID No. 3706	2014
JEAN-PIERRE P.E. TOLENTINO	DL 1-718-3174	2014

known to me to be the same persons who executed the foregoing Contract and who acknowledged to me that the same is their free and voluntary act and deed and of the entities they respectively represent.

This Contract for the Nationwide Compensation Survey Project was signed by the parties, and signed/initialled by their material witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this MAY 31 2013 day of MAY, 2013.

Doc. No. ; 154  
Page No. ; 33  
Book No. ; 87  
Series of 2013.

  
**ATTY. FRANCISCO M. CRUZ MIRALLES**  
 NOTARY PUBLIC MANILA  
 MY COMMISSION EXPIRES ON 12-31-2013  
 35D C/F GOA NO BLDG.  
 A. J. VILLEGAS ST. 1000 HERMITA MANILA  
 IBP NO. 86803-10-6-11 - MANILA - 2012  
 PTR NO. 1407717 - 1/3/13  
 ROLL NO. 32502  
 MCLE III 00309 16 - 8-9-2011  
 COMMISSION NO. 012-011



	required outputs and deliverables indicated in Annex A of the TOR duly accepted by the Director, OPCCB as satisfactory and in compliance with the terms of the contract.
	C. <u>Payment Conditions</u> Payment shall be made in Philippine Pesos, no later than twenty (20) days following the submission of the Certification as required by Item 3 (B) of this Contract.
4. <b>Project Administration</b>	The Consultant shall directly report to Undersecretary Laura B. Pascua or Director Myrna S. Chua for his expected outputs under this Contract. Undersecretary Pascua/Director Chua shall be responsible for the review, acceptance, and approval of the detailed technical contents of the Consultant's reports and recommend payment for Services rendered by the Consultant.
5. <b>Performance Standards</b>	The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity.
6. <b>Confidentiality</b>	The Consultant shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.
7. <b>Ownership of Material</b>	Any studies, reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client.
8. <b>Consultant Not to be Engaged in Certain Activities</b>	The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.
9. <b>Insurance</b>	The Consultant will be responsible for taking out any appropriate insurance coverage.
10. <b>Assignment</b>	The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.
11. <b>Law Governing Contract and Language</b>	The Contract shall be governed by the laws of the Philippines, and the language of the Contract shall be in English.
12. <b>Dispute Resolution</b>	Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Client's country.

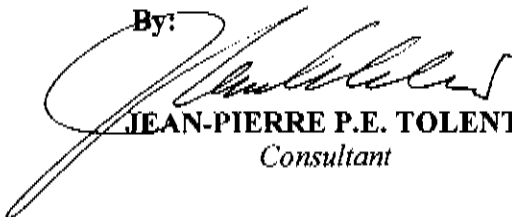
**DEPARTMENT OF BUDGET MANAGEMENT      CONSULTANT**

By:



**FLORENCIO B. ABAD**  
*Secretary*

By:

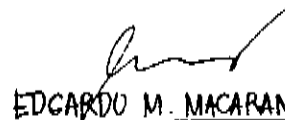


**JEAN-PIERRE P.E. TOLENTINO**  
*Consultant*

**SIGNED IN THE PRESENCE OF:**



**MYRNA S. CHUA**  
DIRECTOR, OPCCB



**EDGARDO M. MACARANAS**

Funds Available:  
*myignacio*  
**ESPERANZA Q. IGNACIO**  
Chief Accountant

Doc # 2013-5-88  
12/12

**Terms of Reference**  
**Technical assistance**  
**for the Nationwide Compensation Survey Project**

**Mr. Jean-Pierre P.E. Tolentino**

**1.0 Background**

The Senate and House of Representatives Joint Resolution (JR) No. 4, s. 2009<sup>1</sup>, commonly referred to as SSL 3, provides that the Compensation and Position Classification System of the government shall be based on the following governing principles, among others:

- 1.1 The compensation for civilian personnel shall generally be comparable to those in the private sector doing similar work; to attract, retain and motivate a corps of civilian personnel.
- 1.2 The compensation for civilian personnel shall be standardized and rationalized across all government agencies to create an enabling environment that promotes social justice, integrity, efficiency, productivity, accountability, and excellence in the civil service.
- 1.3 A performance based incentive scheme which integrates personnel and organizational performance shall be established to reward exemplary civil servants and well-performing institutions.

Moreover, the Salary Schedule in JR No. 4 has addressed the inherent deficiencies in the salary schedules under Republic Act (RA) No. 6758, "Compensation and Position Classification Act of 1989," and under JR No. 01, s. 1994, due to overlaps in salaries among position levels which have violated the principle of "equal pay for equal work" and caused demoralization to disadvantaged government officials and employees.

The four (4) tranches of the Salary Schedule and Base Schedule in JR No. 4 were fully implemented on June 1, 2012 in national government agencies, and on January 1, 2013 in local government units.

To enhance the competitiveness of government compensation, there is a need to determine how public sector pay compares with those in the private sector in order to have a more accurate basis for compensation policy decisions.

**2.0 Nationwide Compensation Survey Project**

A nationwide survey of private sector compensation designed and conducted by DBM with the help of consultants is necessary in order to have a more reliable data to be

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<sup>1</sup> Joint Resolution Authorizing the President of the Philippines to Modify the Compensation and Position Classification System of Civilian Personnel and Base Pay Schedule of Military and Uniformed Personnel in the Government, and for Other Purposes.

used in reviewing and updating the compensation for government personnel by targeting specific occupations and institutions with which to benchmark public sector pay.

The available and/or published salary survey results (e.g., from Towers Watson, Employers' Confederation of the Philippines, Bureau of Labor and Employment Statistics) provide compensation data but only on a limited scale and are not adequate for government compensation study purposes. Most of the firms covered in these surveys lean towards manufacturing, business process outsourcing, automotives, electronics, and hotel and restaurant ventures, among others. Data are scarce on jobs in the education and health industries and on the legal profession, which are, in contrast, abundant in the public sector. A salary survey customized to the needs of the government is, therefore, necessary.

### **3.0 Objectives of the Nationwide Compensation Survey Project**

The project aims to achieve the following:

- 3.1 Gather reliable data on salaries, allowances and other compensation in the private sector, including performance-based incentives and benefits;
- 3.2 Determine how the salaries for key classes of positions at the Sub-Professional, Professional, and Executive Categories in the National Government compare with those in the private sector;
- 3.3 Formulate recommendations on salary schedule options for civilian personnel to bring salaries at par with prevailing levels in the private sector, while considering the limited financial resources of the Philippine government;
- 3.4 Recommend courses of action to integrate performance-based incentives or benefits in the government compensation system; and,
- 3.5 Determine the funding impact of the salary adjustment options, as well as adjustments of other allowances, benefits, and incentives, if any.

### **4.0 Components and Scope of the Nationwide Compensation Survey Project**

The Nationwide Compensation Survey Project shall have the following components:

- 4.1 Determination of the survey scope, targeted jobs, professions, firms/institutions and survey methodology;
- 4.2 Updating the class specifications of **80** positions to be surveyed to make the scope of work of each position comparable to the job content of counterpart positions in the private sector, for appropriate benchmarking;
- 4.3 Design of survey questionnaire and job matching descriptions, and other instruments for gathering data on basic salary, allowances, benefits, incentives and pay practices;
- 4.4 Development of criteria for selection of 75 (50 in Metro Manila and 25 outside Metro Manila) private sector firms to be included in the survey, and the jobs to be surveyed in each selected firm;

- 4.5 Administration of the survey questionnaire and other instruments which includes contacting, setting appointments, presentation of survey questionnaires, and conducting interviews with targeted firms/institutions; persistent follow ups, and gathering of completed survey questionnaires;
- 4.6 Processing and analysis of survey results;
- 4.7 Establishing the comparison between government and private sector compensation;
- 4.8 Formulation of recommendations; and,
- 4.9 Conduct of training for OPCCB Technical Staff on salary survey data gathering, statistical methods used, and formulation of recommended salary schedule.

#### **5.0 Responsibilities of Mr. Jean-Pierre P.E. Tolentino**

- 5.1 Undertake overall planning, management, orchestration and monitoring of salary survey activities;
- 5.2 Identify 80 positions to be the subject of the survey;
- 5.3 Update the format for class specifications;
- 5.4 Prepare class specifications for 30 (out of 80) positions;
- 5.5 Design, supervise the pre-test, and finalize survey questionnaire that include job matching descriptions, questions on pay structures, incentives, benefits, allowances; how, when and what are standard implementing methods, and performance based applications;
- 5.6 Supervise the survey preparatory activities and conduct of survey proper; assign and distribute the participating firms/institutions to other specialists under the project;
- 5.7 Monitor and review the submitted survey questionnaires and assess conformity of results to the project's needs; determine appropriateness and completeness of responses;
- 5.8 Take the lead in the processing and analysis of survey results;
- 5.9 Prepare training design and materials for OPCCB Technical Staff Training; Conduct training of OPCCB Technical Staff; and,
- 5.10 Formulate recommendations and salary schedule options.

## **6.0 Qualifications of the Consultant**

The Consultant has the following qualifications:

- 6.1 Proven track record in the design, planning, preparation, and conduct of nationwide surveys generally, and of salary surveys specifically.
- 6.2 Expertise in human resource management and organizational development, including job classification, compensation, wage, benefits, allowances, and salary administration.
- 6.3 Knowledge of, and exposure on, Philippine government organizations, structure and functions.
- 6.4 Knowledge of, and exposure on, position and compensation package trends in private sector corporate organizations and institutions.

## **7.0 Contract Cost**

The contract cost for the engagement of the Consultant shall be One Hundred Fifty Thousand Pesos (Php 150,000) per month, or a total of **Seven Hundred Fifty Thousand Pesos (Php 750,000) for five (5) months**. This amount covers the professional fee of the consultant and the administrative expenses in the conduct of the survey.

The schedule of outputs/deliverables per month is attached as Annex A.







REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACAÑANG, MANILA

**NOTICE OF AWARD**

MAY 23 2013

**MR. JEAN-PIERRE P.E. TOLENTINO**

# 2 Libra Street, Cinco Hermanos Subdivision  
IVC, Marikina City

Dear **Mr. Tolentino**:

Based on the Department of Budget and Management (DBM) Bids and Awards Committee Resolution No. 2013-29, we are pleased to inform that you are hired as Consultant for the "Nationwide Compensation Survey" Project of the DBM. The consultancy fee shall be Seven Hundred Fifty Thousand Pesos (P750,000.00).

In this regard, you are hereby required to post a performance security in the amount and form provided in Section 39 of the Implementing Rules and Regulations of Republic Act No. 9184 prior to signing of the contract.

Very truly yours,

  
**FLORENCIO B. ABAD**  
Secretary

**ORIGINAL RECEIVED**

BY: Jean Pierre P. Tolentino

DESIGNATION: \_\_\_\_\_

OFFICE: \_\_\_\_\_

DATE: May 28, 2013 5:15pm

REPUBLIC OF THE PHILIPPINES  
CITY OF MANILA

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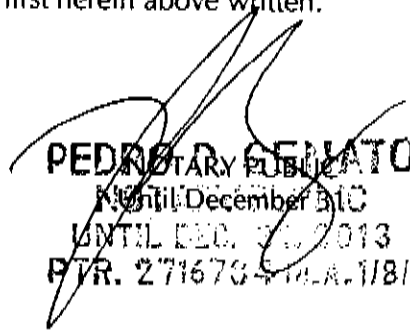
BEFORE ME, the undersigned authority, in and for the CITY OF MANILA Philippines, this  
4TH day of JUNE 2013 personally appeared:

NAME	COMMUNITY TAX CERTIFICATE NO.	ISSUED	
		AT	ON
JEAN-PIERRE P.E. TOLENTINO GEORGE F. MERCENE	08879582	MANILA	1/02/13

The latter as AUTHORIZED SIGNATORY OF BF GEN. INS. CO. INC. with Corporation Community Tax Certificate No. C- 00099160 issued at PARANAQUE CITY on JAN. 3, 2013, known to me and to me known act and deed and the free and voluntary act and deed of the Company they represent, for the to be the persons who executed the foregoing document and acknowledged the same to be their free and voluntary uses and purposes therein stated.

WITNESS my hand and notarial seal the date place first herein above written.

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Series of 2013

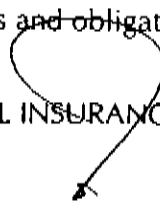
  
**PEDRO GEMATO**  
NOTARY PUBLIC  
Until December 31  
2013  
PTR. 271673-4 (M.A. 118100)

REPUBLIC OF THE PHILIPPINES  
CITY OF MANILA

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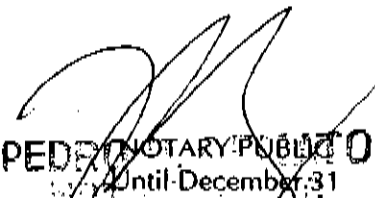
after having been duly sworn to, depose and say that BF GENERAL INSURANCE COMPANY, INC. is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and duly authorized to execute and issue all surety bonds for all purposes within the Philippines and that it is actually worth the amount specified in the foregoing undertaking to wit:  
PESOS TWO HUNDRED TWENTY FIVE THOUSAND PESOS ONLY (P225,000.00), Philippine Currency, over and above all just debts and obligations and property exempt from execution.

BF GENERAL INSURANCE COMPANY, INC.  
By:

  
**GEORGE F. MERCENE**  
CHIEF, MARKETING  
UNDERWRITING

SUBSCRIBED AND SWORN to before me this 4TH day of JUNE 2013 at Manila, Philippines affiant exhibiting to me his Community Tax Certificate and that of the Corporation as above described.

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Page No. 262  
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**PEDRO GEMATO**  
NOTARY PUBLIC  
Until December 31  
2013



PSCOR Building No. 33 J Elizalde Street  
 BF Homes Parañaque City  
 Tel. Nos. 842-4607 \* Telefax 809-5662  
 TIN 000-745-041

BF GEN BOND NO.  
 G(13) 34704

**PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:

That we, JEAN -PIERRE P.E. TOLENTINO  
 #2 LIBRA ST., CINCO HERMANOS SUBD., IVC, MARIKINA CITY as PRINCIPAL  
 and BF GENERAL INSURANCE COMPANY, INC., a corporation duly organized and existing under  
 and by virtue of the laws of the Philippines, as SURETY, are held and firmly bound unto the  
DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) in the  
 sum of PESOS TWO HUNDRED TWENTY FIVE THOUSAND PESOS ONLY.  
 (P 225,000.00 ), Philippine Currency, for the payment of which sum, well and truly be made we bind ourselves,  
 our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATIONS ARE AS FOLLOWS:

WHEREAS, THE ABOVE-BOUNDEN PRINCIPAL HAS ENTERED INTO A CONTRACT WITH THE  
 HEREIN OBLIGEE AND HAS BEEN REQUIRED TO POST THIS BOND TO GUARANTEE THE FULL  
 AND FAITHFUL PERFORMANCE OF THE PRINCIPAL IN CONNECTION FOR THE "NATIONWIDE  
 COMPENSATION SURVEY".

THIS BOND IS CALLABLE ON DEMAND.

PROVIDED, HOWEVER, THAT THE LIABILITY OF THE SURETY COMPANY UNDER THIS  
 BOND SHALL IN NO CASE EXCEED THE AMOUNT IN PESOS : TWO HUNDRED TWENTY FIVE  
 THOUSAND PESOS ONLY. (P225,000.00) PHILIPPINE CURRENCY.

WHEREAS, said OBLIGEE requires said PRINCIPAL  
 to give a good and sufficient bond in the above stated sum to secure the full and faithful performance on its/his part  
 of said CONTRACT

NOW, THEREFORE, if the PRINCIPAL shall we and truly perform and fulfill all the undertakings, covenants,  
 terms, conditions, and agreements stipulated in said contracts, then this obligation shall be null and void; otherwise,  
 it shall remain in full force and effect.

The liability of the SURETY under this bond will expire on JUNE 4, 20 14  
 and the SURETY does not assume any responsibility for any liability incurred or created after said date ; notice of  
 claims against the SURETY must be given the bond Company not later than fifteen (15) days from said expiration  
 date and any action against the SURETY under this Bond must be filed within one(1) year from the date the cause of  
 action accrues and failure to do so shall release the SURETY from all liabilities under this bond and shall be a bar  
 to any action against it.

IN WITNESS WHEREOF we have set our hands and signed our names on this 4TH day  
 of JUNE, 20 13 in the CITY OF MANILA, Philippines.

JEAN-PIERRE P.E. TOLENTINO  
 (Principal)

BF GENERAL INSURANCE COMPANY, INC.  
 By:   
GEORGE F. MERCENE  
 CHIEF, MARKETING  
 UNDERWRITING  
 (Surety)

SIGNED IN THE PRESENCE OF:

ALLAN RELENTE

MARY JANE MACABALLUG

REPUBLIC OF THE PHILIPPINES  
 CITY OF MANILA } S.S

BEFORE ME, the undersigned authority, in and for the CITY OF MANILA Philippines, this  
 4TH day of JUNE 2013 personally appeared:

NAME	COMMUNITY TAX CERTIFICATE NO.	ISSUED	
		AT	ON
JEAN-PIERRE P.E. TOLENTINO GEORGE F. MERCENE	08879582	MANILA	1/02/13

The latter as AUTHORIZED SIGNATORY OF BF GEN. INS. CO. INC. with Corporation Community Tax Certificate No. C- 00099160 issued at PARANAQUE CITY on JAN. 3, 2013, known to me and to me known act and deed and the free and voluntary act and deed of the Company they represent, for the to be the persons who executed the foregoing document and acknowledged the same to be their free and voluntary uses and purposes therein stated.

WITNESS my hand and notarial seal the date place first herein above written.

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 Page No. 262  
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 Series of 2013

*[Signature]*  
**PEDRO D. GENATO**  
 Notary Public  
 UNTIL DEC. 31, 2013  
 PTR. 271670 S.M.A. 118100

REPUBLIC OF THE PHILIPPINES  
 CITY OF MANILA } S.S

after having been duly sworn to, depose and say that BF GENERAL INSURANCE COMPANY, INC. is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and duly authorized to execute and issue all surety bonds for all purposes within the Philippines and that it is actually worth the amount specified in the foregoing undertaking to wit:

PESOS TWO HUNDRED TWENTY FIVE THOUSAND PESOS ONLY (P225,000.00), Philippine Currency, over and above all just debts and obligations and property exempt from execution.

BF GENERAL INSURANCE COMPANY, INC.  
 By:

*[Signature]*  
**GEORGE F. MERCENE**  
 CHIEF, MARKETING  
 UNDERWRITING

SUBSCRIBED AND SWORN to before me this 4TH day of JUNE 2013 at Manila, Philippines affiant exhibiting to me his Community Tax Certificate and that of the Corporation as above described.

Doc. No. 310  
 Page No. 262  
 Book No. XIX

*[Signature]*  
**PEDRO D. GENATO**  
 Notary Public  
 UNTIL DEC. 31, 2013



REPUBLIC OF THE PHILIPPINES  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
MALACAÑANG, MANILA

**NOTICE TO PROCEED**

**MR. JEAN-PIERRE P.E. TOLENTINO**

No. 2 Libra Street, Cinco Hermanos Subdivision  
IVC, Marikina City

Dear **Mr. Tolentino**:

The attached Contract having been approved, notice is hereby given to you that work may commence as Consultant for the Nationwide Compensation Survey.

Thus, you shall be responsible for performing the services in coordination with the Organization, Position Classification and Compensation Bureau of this Department under the terms and conditions of the Contract and in accordance with the Terms of Reference.

Very truly yours,

  
**FLORENCIO B. ABAD**  
*Secretary*

Received by: *J. Tolentino*  
5/31/2013