



Republic of the Philippines
Department of Social Welfare and Development

IBP Road, Batasan Pambansa Complex, Constitution Hills, Quezon City 1126

Telephone Nos. (632) 931-8101 to 07; Telefax (632) 931-8191

e-mail: osec@dswd.gov.ph

Website: <http://www.dswd.gov.ph>

MEMORANDUM CIRCULAR

NO. 21

Series of 2009

SUBJECT: Addendum/Clarification on DSWD Memorandum Circular No. 6 s. 2006
or the Guidelines on Hiring, Renewal, Cost of Service and Work
Requirements of Contract of Service Workers

I. BACKGROUND

The approved DSWD Rationalization and Streamlining Plan (RSP) provides the modified organization structure and staffing pattern of the Department. The Plan also provides the regularization of selected Contract of Service (COS) items also known as Memorandum of Agreement (MOA) workers as of December 31, 2001.

As a matter of policy, MOA items "converted" to regular items under RSP are not replaced with new ones since the funds allocated for these are realigned from Maintenance and Other Operating Expenses (MOOE) to the Personal Services (PS) funds. The objective is to ultimately find the optimum number of personnel needed to ensure the effective delivery of service. Pending this, MOA workers shall be hired based on the need of the office. MC No. 6 s. 2006 was issued to help achieve this balance.

It is observed that since CY 2004:

- there had been no significant decrease in the amount allocated for MOA workers against the regular funds of the Department¹;
- requests for authority to fill up existing MOA positions are always recommended and approved; and
- only one Bureau proposed a revised MOA staffing requirement in CY 2007. This resulted in reducing the number of the Bureau's MOA allocation requirement by 45.5%².

In light of these, Memorandum Circular No. 6, series of 2006, is strongly reiterated. In order to ensure clarity, herewith are additional directives to support said Circular.

¹ As of December 31, 2004 total MOA allocation under regular funds amounted to P6,148,670.32 per month, as of December 31, 2008 the total allocation is P8,563,912.50 per month.

² Dir. Cabilao initiated a review of the MOA staff complement at STB upon being reassigned to said office in CY 2007. From MOA fund requirement of P92,353.00 CY 2004 it was reduced to P77,598.00.

II. COVERAGE

For purposes of this document and MC No. 6 series 2006, COS workers shall refer to MOA workers-- specifically workers contracted to perform duties commensurate to rank and file positions (or those with salary grades 1-24) in the Index of Occupational Services (IOS) in the government.

All others who are contracted by the Department to perform duties outside this list and/or who receive compensation over and above SG – 24, including those whose cost of services are funded by AECID, UNFPA, ILO and such other funding agencies, shall not be covered by this Memorandum Circular.

III. ON CREATING COS/MOA ITEMS

1. Creation of new MOA items in all Offices/Bureaus/Services/Units (OBSU), including the regional offices, shall be subject to the approval of the Secretary upon recommendation of the Undersecretary concerned.
2. Requests to create new and/or conversion of existing MOA item in all DSWD OBSU, Centers/Institutions and special projects shall be justified in the context of the office's existing staff complement, magnitude/scope of work (organization wide), number of clients being served, terms of reference of the MOA item and how it can contribute to the effective and efficient delivery of service of the requesting OBSU.
3. For MOA items under special/foreign assisted projects, requests shall be supported by documents pertinent to the creation of the project, e.g. approved project proposal, Terms of Reference (TOR), project implementation plan, and the like.
4. All proposals/plans should contain a proposed staffing summary/structure, if applicable.
5. All requests shall go through the review of the General Administration and Support Services Group (GASSG) or the Management Division at the Field Office to ensure that these are in accordance with existing rules such as but not limited to prescribed compensation rate and MC No. 6 s. 2006.

IV. ON FILLING UP OF EXISTING COS/MOA ITEMS

1. Hiring of replacement for vacated MOA items under the regular services shall be strictly based on the need of the service.
2. Requests for authority to hire replacement for vacated MOA items under the regular services shall be coursed thru the Undersecretary concerned and approved by the Undersecretary for GASSG. Such requests shall be supported by a strong justification, taking into consideration the office's existing staff complement, magnitude/scope of work (being handled), number of clients being served. In the case of Centers/Institutions, an evaluation that the position is still needed.
3. In the case of special/foreign assisted projects, request for authority to fill up vacant MOA items is not required provided the project has a clear life span and that funding requirements are sourced outside of the regular funds of the Department.

V. ON HIRING/RENEWAL FOR COS/MOA ITEMS

1. As a general rule:
 - All applicants to COS/MOA items should meet the qualification requirements set by the hiring Office or Project
 - All COS has been reviewed and favorably recommended by the Human Resource Management and Development Service in the Central Office and the Management Division in the Field Offices.
 - The hiring office should have at least two (2) weeks lead time in processing the COS prior to its effectivity. Applicant shall be allowed to assume the position only after the COS has been signed by all parties.
2. Memorandum of Agreement may be renewed provided the worker was able to deliver the terms of his/her contract to the satisfaction of his/her immediate supervisor or Superior.
3. Approval for the renewal of contracts shall rest with the Undersecretary in charge of the Cluster in the case of the Central Office; the Regional Director in the case of the Field Office and; the Project/Program Director in the case of special/foreign assisted projects; or their authorized alternates, upon the recommendation of the following:
 - 3.1 Central Office: HOBS Concerned
 - 3.2 Regional Office: ARD or Division Chief Concerned
 - 3.3 Foreign Assisted/Special Projects: HOBS Concerned

VI. TERMINATION OF CONTRACT OF SERVICES

1. Should any of the parties in the memorandum of agreement decide to terminate the contract before its expiry date for whatever reason, the party who desires to terminate the same shall issue a written notice thirty (30) days before the actual date of termination. In case the MOA worker, is absorbed by the Department, the MOA shall be considered automatically terminated on the last hour of the working day prior to the effectivity or assumption to the plantilla position.
2. Notice of termination should be forwarded immediately or at least 15 calendar days prior to its effective date to the Personnel Management Division or its regional counterpart in order to avoid overpayment in cost of services. In case of overpayment due to the delay in the submission of notice of termination, the immediate supervisor of the concerned MOA worker shall be held liable for the said overpayment.
3. MOA workers who intend to resign shall be required to accomplish a Clearance from respective center and Regional Office.
4. MOA staff who resigned/terminated/separated from the service should surrender their ID to the Personnel Unit.

Cases not covered under this Memorandum shall be submitted to the Office of Undersecretary for GASS for resolution.

This Memorandum shall take effect fifteen (15) days upon approval.

Approved this 27th day of November 2009.

Esperanza I. Cabral
DR. ESPERANZA I. CABRAL
Secretary

MASG/CAA



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