



MC No. 01 s. 2007

MEMORANDUM CIRCULAR

TO: ALL HEADS OF CONSTITUTIONAL BODIES, DEPARTMENTS, BUREAUS, AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS WITH ORIGINAL CHARTERS; AND STATE COLLEGES AND UNIVERSITIES

SUBJECT: Repeal of CSC Memorandum Circular Nos. 17 and 24, s. 2002

Pursuant to CSC Resolution No. 06-2254 dated December 20, 2006, the Commission repealed CSC Memorandum Circular No. 17, series of 2002, also known as the "Policy Guidelines for Contracts of Service" and CSC Memorandum Circular No. 24, series of 2002, also known as the "Clarification on Policy Guidelines for Contracts of Service".

As consequence of said repeal, contracts of service and job orders will no longer be submitted to the Civil Service Commission Regional Offices (CSCROs) for review and requests for exemptions from said circulars will no longer be required with respect to hiring under a contract of service or job order.

CSC Resolution No. 06-2254 dated December 20, 2006 shall take effect after fifteen (15) calendar days from its publication in a newspaper of general circulation.

Please be guided accordingly.

A handwritten signature in black ink, appearing to read "Karina Constantino-David".

KARINA CONSTANTINO-DAVID
Chairperson

12 January 2007

AGR/X15/4

PUBLISHED CSC Resolution No. 06-2254
Date: January 19, 2007
Newspaper: Manila Times



Re: Repeal of CSC MC Nos. 17 and 24 s. 2002

X-----X

RESOLUTION No. 062254

WHEREAS, Section 2 (1), Article IX-B of the 1987 Constitution provides that the Civil Service embraces all branches, subdivisions, instrumentalities and agencies of the Government, including government-owned or controlled corporations (GOCCS) with original charters;

WHEREAS, Section 12 (3), Chapter 3, Title I (A), Book V of the Administrative Code of 1987 provides that the Commission shall promulgate policies, standards and guidelines for the Civil Service and adopt plans and programs to promote economical, efficient and effective personnel administration in the government;


WHEREAS, Section 81 of the General Appropriations Act of 2005 provides that departments, bureaus, offices or agencies, as well as GOCCs, are hereby authorized to enter into service contracts, with other government agencies, private firms or individuals and non-governmental organizations for services related or incidental to their respective functions and operations, whether on part-time or full-time basis;

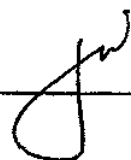
WHEREAS, Section 1, Rule XI of the Revised Omnibus Rules on Appointments and other Personnel Actions (CSC Memorandum Circular No. 40, series of 1998, as amended by CSC Memorandum Circular No. 15, series of 1999) provides that contracts of service need not be submitted to the Commission as services rendered thereunder are not considered government service;

WHEREAS, with the lack of regulation over contracts of service and job orders, the Commission has been made aware that hiring personnel under contracts of service and job orders has been constantly used to circumvent Civil Service Law, rules and regulations such as the rules on nepotism, compulsory retirement age, perpetual disqualification of dismissed civil servants and the constitutional mandate of merit and fitness;

WHEREAS, with respect to local government units, the rule on personal services limitation as provided for in Section 325 (a) of the Local Government Code of 1991 where the total appropriation, whether annual or supplemental, for personal services of a local government unit for one (1) fiscal year shall not exceed forty-five (45%) in the case of first

Certified True Copy:


NOEMI A. BRILLO
Board Secretary IV
Commission Secretariat and Liaison Office
Civil Service Commission



to third class provinces, cities and municipalities, and fifty-five (55%) in the case of fourth class or lower, of the total annual income from regular sources realized in the next preceding fiscal year is circumvented with the use of the funds appropriated for Maintenance and other Operating Expenses (MOOE) to hire personnel under contracts of service and job orders;

WHEREAS, the Commission also identified the need to strengthen its policy that service rendered under contracts of service and job order is not government service through proper regulation of contracts of this nature;

WHEREAS, in light of the aforementioned scenarios, the Commission promulgated CSC Resolution No. 02-0790 dated June 5, 2002, as circularized in CSC Memorandum Circular No. 17, series of 2002 and CSC Resolution No. 02-1480 dated November 12, 2002, as circularized in CSC Memorandum Circular No. 24, series of 2002 wherein the Commission adopted policies on contracts of service and job orders, requiring among others, that contracts of service and job orders issued by various agencies of the government shall undergo review of their stipulations by the Civil Service Commission Regional Offices;

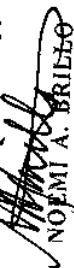
WHEREAS, in CSC Resolution No. 02-1480 dated November 12, 2002, the Commission also required that government agencies request exemption from CSC Memorandum Circular No. 17, series of 2002 with respect to contracts of service and job orders that do not cover special or technical skills or where the functions to be performed are clerical or administrative in nature or where the work is also performed by the regular personnel of the agency;

WHEREAS, in four (4) years since the promulgation of CSC Memorandum Circulars Nos. 17 and 24, series of 2002, with the regulation of contracts of service and job orders, the circumvention of Civil Service Law and rules was avoided, the budget limitation on personal services under the Local Government Code of 1991 was adhered to and the policy that hirees under contracts of service and job orders as non-government employees, distinct and separate from government employees was strengthened;

WHEREAS, notwithstanding the four-year effectivity of CSC Memorandum Circulars Nos. 17 and 24, series of 2002, the Commission has resolved numerous requests for exemption from said circulars while the Civil Service Commission Regional Offices reviewed a high volume of contracts of service and job orders entered into by governmental agencies under their supervision;

WHEREAS, considering the high volume of contracts of service and job orders entered into by government agencies nationwide, it necessarily follows that millions of public funds are spent to compensate the numerous hirees under such contracts which entails the need for regulation by government agencies that have the power and the expertise to regulate such contracts;

Certified True Copy:


NOEMI A. BRILLO

Board Secretary IV
Commission Secretariat and Liaison Office
Civil Service Commission



WHEREAS, since contracts of service and job orders are in the nature of contracts, the same should be under the supervision of and regulation by the Department of Budget and Management and the Commission on Audit.

NOW THEREFORE, the Commission **RESOLVES** as it hereby **RESOLVED** to repeal its present policies on contracts of service and job orders and relinquish its regulation over said contracts.

Section 1. Repeal of CSC Resolution No. 02-0790 dated June 5, 2002 and CSC Resolution No. 02-1480 dated November 12, 2002 – CSC Resolution No. 02-0790 dated June 5, 2002 also known as the Policy Guidelines for Contracts of Service and CSC Resolution No. 02-1480 dated November 12, 2002, also known as the Clarifications on Policy Guidelines for Contracts of Service and circularized in CSC Memorandum Circular (MC) Nos. 17 and 24 series of 2002, respectively, are hereby repealed. Consequently, contracts of service and job orders will no longer be submitted to the Civil Service Commission Regional Offices (CSCROs) for a review of their stipulations. Likewise, exemptions from CSC MC Nos. 17 and 24 series of 2002 will no longer be required with respect to hiring under contracts of service and job order.

Section 2. Rule XI of CSC Memorandum Circular No. 40, series of 1998, as amended - The Commission hereby reiterates the policy on contracts of service and job orders as embodied in Rule XI of CSC Memorandum Circular No. 40 series of 1998 as amended by CSC Memorandum No. 15, series of 1999, which provides as follows:

“Rule XI- Contracts of Service/ Job Orders

“Section 1. Contracts of Service/ Job Orders, as distinguished from those covered under sec. 2 (e) and (f), Rule III of these Rules, need not be submitted to the Commission. Services rendered thereunder are not considered government services.

“Section 2. Contracts of Service/ Job Orders refer to employment described as follows:

“a. The contract covers lump sum work or services such as janitorial, security or consultancy services where no employer-employee relationship exist;

“b. The job order covers piece of work or intermittent job of short duration not exceeding six months on a daily basis;

“c. The contracts of service or job orders are not covered by Civil Service Law, rules and regulations but covered by COA rules;

Certified True Copy:


NOEMI A. BRILLO

Board Secretary IV
Commission Secretariat and Liaison Office
Civil Service Commission



"d. The employees involved in the contracts or job orders do not enjoy the benefits enjoyed by government employees, such as PERA, COLA and RATA."

Section 3. Pending review of contracts of service and job orders and requests for exemption – All pending requests for review or exemption of contracts of service and job orders are rendered moot and academic with the repeal of CSC Memorandum Circular Nos. 17 and 24, s. 2002.

Section 4. Repealing Clause – All previous rules inconsistent herewith are deemed repealed or modified accordingly.

Section 5. Effectivity- These rules shall take effect after fifteen (15) calendar days from the date of publication in a newspaper of general circulation.

Quezon City, DEC 20 2006

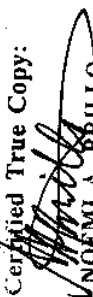

KARINA CONSTANTINO-DAVID
Chairman


MARY ANN Z. FERNANDEZ-MENDOZA
Commissioner


CESAR D. BUENAFLOR
Commissioner

Attested by:


JUDITH D. CHICANO
Director IV
Commission Secretariat and Liaison Office

Certified True Copy:

NOEMI A. BRILLO
Board Secretary IV
Commission Secretariat and Liaison Office
Civil Service Commission

AGR/X15 (disk 2006-3)

PUBLISHED

Date: January 19, 2007

Newspaper: Manila Times