



Republic of the Philippines  
**OFFICE OF THE SECRETARY**  
Elliptical Road, Diliman  
1100 Quezon City

## **ADMINISTRATIVE ORDER**

No. 23  
Series of 2022

**SUBJECT : REVISED GUIDELINES ON THE SELECTION, HIRING AND  
ADOPTION OF COMPENSATION SYSTEM FOR CONTRACT  
OF SERVICE PERSONNEL**

This Administrative Order is issued to reflect the additional guidelines specifically on the movement of the Contract of Service Personnel which are not stipulated in the DA Administrative Order (AO) No. 07 Series of 2020 dated January 9, 2020. This AO shall be implemented in CY 2023 and thereafter in DA-Central Office, Bureaus, Regional Field Offices and Attached Agencies/Corporations under this Department.

### **I. RATIONALE**

1. Hiring of Contract of Service Personnel shall be for reasons of exigency such as the need to augment the operating unit's work force so as not to affect the performance of deliverables of the unit.
2. Positions to be requested must be in accordance to the mandate/functions of each office.
3. Each office of the Department may engage the services of new Contract of Service and Job Order Personnel through individual contract and renew existing individual contracts until December 31, 2023. Thereafter, the engagement of Contract of Service and Job Order Personnel shall be in accordance with the provisions of Joint COA-DBM Circular No. 2, Series of 2020.
4. Each office (Central Office, Bureaus, Attached Agencies/Corporations and Regional Field Offices) shall in no case exceed 30% of their duly approved allowable Maintenance and Other Operating Expenses (MOOE) unless approved by the Secretary justified by the exigency of service.
5. The personnel to be hired will perform support/administrative functions.
6. Services of individuals engaged through contract of service and job orders shall be paid on a monthly rate, to be paid on a quincena basis (Item 6 of Memorandum from the Secretary of Agriculture dated December 7, 2021 on the clarification regarding the effectivity of the contracts of Contract of Service /Job Order Personnel and adoption of efficient means in the payment of their compensation) subject to withholding taxes as provided under applicable laws. Provided that

there shall be corresponding deductions for absences to be computed applying the formula:

$\text{Monthly Rate} / 22 \times \text{Number of days absent}$

7. Services of individuals engaged through COS basis and JO shall be paid wages equivalent to the daily wage/salary comparable to 2019 (or later) Salary Standardization Law as recommend by the Review Committee and approved by the Secretary.

Subject to the availability of funds, the COS and JO workers may also be granted a premium of up to 20% of their respective wage/salary.

8. The Terms of Reference (TOR) for each position requested shall be prepared by the requesting office.

These guidelines will have a suppletory application to the Joint COA-DBM Circular No. 2, Series of 2020.

## **II. DOCUMENTARY REQUIREMENTS**

1. Organizational Chart of the requesting office indicating the plantilla positions under the division/section/unit and personnel occupying the respective positions including the existing Contracts of Service personnel who are proposed to be renewed.
2. Description of the duties and responsibilities, expected outputs and indicators of the proposed Contract of Service Personnel.
3. Justification for the hiring of the Contract of Service Personnel in the said division/section/ unit.
4. Approved Project Procurement Management Plan (PPMP).
5. Certificate of Availability of Funds from the Budget Officer.
6. Personal Data Sheet (PDS) and other credentials such as diploma, transcript of records, professional license if applicable, etc. of each contract of service personnel.

## **III. PROCEDURE**

1. The request for authority to hire/renew contract of service of personnel shall be addressed to the Secretary of Agriculture thru the Personnel Division. It should contain the name, position, salary grade, salary, unit/section/division to be assigned in the concerned DA office and duration of contract and shall be submitted one (1) month prior to the termination of contract.



The respective Personnel Section/Division or Administrative Section/Division of the requesting DA agency must have conducted an assessment and evaluation of the qualifications of the Contract of Service Personnel proposed to be renewed vis a vis their positions, and checked and verified the availability of funds against their agencies' approved PPMP before the submission of the request for authority to renew Contract of Service Personnel.

2. The documentary requirements shall be attached to the request except for the Medical Certificate which will be submitted within 30 days upon issuance of the contract. On the other hand, the Personnel Appraisal Form shall be submitted before the renewal of the individual contract of Contract of Service or Job Order Personnel in the second semester. Processing will commence thereafter.
3. The Secretary has the sole authority *to approve the "AUTHORITY TO HIRE" for the renewal of individual contracts of Contract of Service and Job Order Personnel*
4. Upon the Secretary's approval, the Personnel Division/Section shall prepare the contracts of Contract of Service/Job Order Personnel prior to the termination of contracts.
5. The Contract of Service/Job Order Personnel can only assume the position after the contract is signed by the Head of Agency/Authorized Representative. In no case should the personnel to be hired shall report to the office prior to the approval of Contract. The "NO APPROVED CONTRACT, NO REPORTING POLICY" shall be observed.

The payment of services of COS personnel who reported prior the approval of contracts shall only be paid if justified by the exigency of the service and approved by the Secretary.

#### **IV. MOVEMENT OF CONTRACT OF SERVICE PERSONNEL**

1. COS positions approved to be reclassified, upgraded or downgraded can no longer be reverted to their original COS position classification.
2. For purposes of ethical and professionalism factors, COS personnel whose contract was terminated before the term of the contract ends due to a loss of trust, confidence and/or any violation on the provisions of his/her contract shall not be considered for hiring by another office within the DA-Central Office. Unless a certification from the previous office is secured/issued as clearance and basis for re-hiring to be submitted to the personnel Division.

Non-submission of the said certification, the concerned COS personnel shall not be hired.

3. Contract of Service Personnel assigned at the Office of the Third Level Officials (appointed by the President), as a rule, are coterminous to the officials and shall be required to turn over all accountabilities within fifteen (15) days after the term ends and/or during the transition period. Except, when the successor is willing to rehire the existing COS Personnel, his/her contract shall subsist.
4. The pertinent provisions of this Administrative Order shall form part of the contract of service (COS) employment contract as far as practicable.
5. Upgrading of salary grade of COS personnel shall be limited to three (3) salary grade steps, except for justifiable reasons to be approved by the Secretary.
6. CSC Eligibility shall not be required in the hiring of contract of service personnel. However, if the duties of the positions involve the practice of profession regulated by the Philippine Bar/Board or special laws and or requires license (e.g. drivers, etc.), the corresponding professional license shall be required.

#### **V. RENEWAL OF CONTRACT OF SERVICE**

1. A performance evaluation sheet shall be established by the Personnel Division in coordination with the Management Division which shall serve as basis for the renewal of the contracts of the concerned personnel.
2. The performance evaluation form shall be accomplished by the concerned COS personnel and must be submitted with the corresponding recommendation of his/her immediate supervisor to the Personnel Division one (1) month prior to the termination of the contract (May 31 and November 30, respectively. If it falls on a weekend or a holiday, the day before these dates).
3. The result of the performance evaluation shall be attached to the request for renewal of the contract. Only those with Very Satisfactory or Outstanding rating shall be recommended for renewal.

#### **VI. APPROVING AUTHORITY OF CONTRACTS**

##### **A. Department Proper**

The Secretary or Senior Undersecretary shall approve the contracts of Contract of Service/Job Order Personnel at the DA Central Office which may be delegated to the Undersecretary for Administration through a Special Order, with the caption: "For and by the Authority of the Secretary".





## **B. Bureaus, Attached Agencies and Regional Field Office**

The authority to approve contracts of Contract of Service and Job Order Personnel at the Bureaus, Attached Agencies/Corporations and Regional Field Offices is delegated to their respective Directors or Heads of Agencies.

This Order shall take effect on January 2, 2023. All issuances inconsistent herewith are deemed superseded and modified accordingly.

Done this 15<sup>th</sup> day of November 2022.

  
**DOMINGO F. PANGANIBAN**  
Senior Undersecretary



DA-CO-OSEC-AO20221114-00016