

Office of the President
of the Philippines
Malacañang

GUIDELINES IMPLEMENTING MEMORANDUM CIRCULAR NO. 1

TO : All Departments, Bureaus, Agencies, Government-Owned and/or Controlled Corporations (GOCCs)/Government Financial Institutions (GFIs), and other instrumentalities of the Government, including Agencies under the Supervision and Control/Administrative Supervision/Attached to the Office of the President

FROM : THE EXECUTIVE SECRETARY

DATE : 16 July 2010

To ensure a systematic, orderly and effective implementation of Memorandum Circular No. 1, the guidelines indicated hereunder are hereby promulgated to cover all presidential appointees holding coterminous positions and Career Executive Service (CES) positions, and all casual and/or contractual government employees.

- A.** Memorandum Circular No. 1 shall not apply to the following:
1. Those appointed to closed career positions and to career officers' position other than those in the CES under (3) Section 7, Chapter 2, Subtitle A, Title I, Book V of Executive Order No. 292, otherwise known as Administrative Code of 1987;
 2. Those appointed to positions with fixed terms of office;
 3. Those covered by duly executed contracts of service;
 4. Officers and members of the board of directors of Government-Owned and Controlled Corporations organized under the Corporation Code.
- B.** In the implementation of Memorandum Circular No. 1, Department Secretaries, head of agencies and offices are hereby directed to adhere to the following guidelines:
1. Status of coterminous appointees/positions.

The following are deemed separated from the service as of noon of June 30, 2010:

- 1.1. All Presidential appointees whose appointments indicate their status as coterminous. Coterminous Presidential appointees are those whose appointments co-exist with the term of the President who made the appointments;
 - 1.2. All incumbents of positions that were created in excess of the authorized staffing pattern of all departments, agencies, bureaus and offices. These include Career Executive Service Officers (CESOs) who accepted such appointments except in acting capacity.
2. Status of presidential appointees occupying positions in an acting/OIC capacity.

Presidential appointees occupying positions in an acting/OIC capacity shall remain in office and continue to perform their duties and discharge their responsibilities until July 31, 2010, or until their resignations have been accepted and/or until their respective replacements have been appointed or designated, whichever comes first, unless they are reappointed in the meantime.

3. Status of CESOs occupying CES positions.

CESOs occupying CES positions enjoy security of tenure within the CES in accordance with their respective CESO ranks, but they may be reassigned subject to the provisions of CESB Resolution No. 640, series of 2006 which provides the "Guidelines on Reassignment and Transfer of CESOs who are Presidential Appointees Occupying CES Positions."

4. Status of non-CESOs occupying CES positions.

All non-CESOs occupying CES positions in all agencies of the Executive Branch shall remain in office and continue to perform their duties and discharge their responsibilities until July 31, 2010 or until their resignations have been accepted, and/or until their respective replacements have been appointed or designated, whichever comes first, unless they are reappointed in the meantime.

5. Agencies or offices whose heads have resigned or are deemed separated.

In cases where the head of agency or office has resigned and whose resignation has been accepted or is deemed separated on June 30, 2010 and no replacement has been appointed, an Officer-in-Charge who is next-in-rank and most senior shall be designated by the President to perform the duties and discharge the responsibilities of the position until July 31, 2010 or until a replacement has been appointed or designated, whichever comes first, unless he is re-appointed, in the meantime.

6. Status of contractual and/or casual/appointments that expired on June 30, 2010.

The appointment and contracts of contractual and casual employees whose contracts expired on June 30, 2010 shall be deemed renewed up to July 31, 2010 unless earlier terminated.

- 6.1 For departments/agencies without approved Rationalization Plans.

After July 31, 2010, department secretaries and agency heads whose rationalization plans (RPs) have not been approved by the Department of Budget and Management are hereby allowed to renew the appointments of personnel on casual/temporary status and the contracts of personnel under contractual, emergency or job order basis but not to go beyond December 31, 2010 or approval of the Rationalization Plan, whichever comes earlier. The renewal of the said contracts shall be subject to budgetary, civil service, accounting and auditing rules and regulations and the following conditions:

- a. For national government agencies: The funds appropriated for the purpose are sufficient and the action will not entail additional budgetary release or the realignment of funds for non-personal services funds to personal services;
- b. In the case of GOCCs/GFIs: Funds for the purpose shall be charged against internally-generated funds/project funds included in the board-approved corporate operating budget; and

- c. The maximum number of personnel whose appointments/contracts will be renewed shall not exceed the actual number of employees at the start of the Department/agency's rationalization efforts, as adjusted by the DBM-authorized hiring of new/additional personnel.
- d. The hiring and/or replacement of resigned, retired, separated, terminated and regularized staff shall be deferred until approval of the Rationalization Plan.

6.2. For departments/agencies with approved Rationalization Plans.

The hiring of personnel should only be limited to those authorized under said plan. The outsourcing of certain services, including but not limited to utility, building and grounds maintenance, messengerial, security and transportation/mobility, and the like, shall be consistent with the overall policy under the rationalization program on services which can be outsourced and on the department/agency's policy on services which may be outsourced. Departments/ agencies which have "coterminous with the incumbent" (CTI) positions are prohibited from hiring personnel whose functions are similar to those performed by the incumbents of the CTI positions.


PAQUITO N. OCHOA, JR.

