

## TERMS OF REFERENCE

### COMPREHENSIVE AND INTEGRATED HUMAN RESOURCE MANAGEMENT SYSTEM JOINT VENTURE WITH DBP DATA CENTER, INC.

#### I. BACKGROUND

DBP Data Center, Inc. (DCI) is a wholly-owned subsidiary of the Development Bank of the Philippines. DCI is the only Government Owned and Controlled Corporation (GOCC) that provides information and technology facilities management, systems application development, systems integration, Information Technology (IT) solutions, contact center operations, business processes outsourcing, consulting services and other IT related services to government and non-government institutions.

Management of Human Resource has always been a challenge to ensure effective, efficient and responsive to demands of the organization. This is made more relevant with global demands and technological advance. To be responsive and keep up with this demand, HR must leverage on current technologies and trend and evolve to be more data driven. Development of fully integrated HR Framework and IT driven HR program is key to the success of HR Resource Management.

To manage Human Resource Capital of government agencies effectively, Government organizations implements HR programs encompassing the following key disciplines:

- Organizational Development, Planning and Organizing
- Talent Acquisition
- Records Management
- Benefits and Compensations
- Attendance
- Payroll
- Employee Relations and Ethics
- Learning and Development
- Performance Management
- Competency Management
- Employee Health and Wellness

One of the most important challenge of Agency HR Management is to transition its organization from transactional to becoming a strategic HR. To empower the Agencies, the Civil Service Commission or CSC, established a mechanism called PRIME-HRM.

The PRIME-HRM aims to assess, assist and award HR programs of Agencies focusing on these four (4) major areas:

- recruitment, selection, and placement;
- learning and development;
- performance management; and
- rewards and recognition.

The program focuses its assessment on the maturity level of an agency's competencies, systems, and practices of these four major HR systems. Agency HR may be classified according to four maturity level:

- Transactional HRM – HR assumes personnel function that is mostly separate from agency/business and talent needs.
- Process-Defined HRM – There is a set of defined and documented SOPs established, though it needs improvement. It is characterized by goal-oriented decision making. There is some automated system but little integration of data.
- Integrated HRM – Uses process metrics for continuous improvement, an HR management toolkit, and data-driven decision making. HR function supports agency business needs.
- Strategic HRM – HR processes are focused on continually improving process performance. It is also systematically managed by a combination of process optimization and continuous improvement. At this level, HR helps to drive agency business decision on people, data, and insight.

One major strategy to guarantee the Agency transition from being transactional to a strategic HR organization is to implement an HR Management System or HRMS. The automation support efficiency, compliance, control and integration of programs enabling HR to effectively manage transactions and allowing Agencies to focus on HR strategic programs and activities.

To help Government Agencies in meeting these HR Management challenges, DCI, endeavors to offer an HR solution to Government Agencies for them to leverage on current ICT technology and achieve organizational strategic objectives. To go into Joint Venture with a Local provider with locally developed HR Management System would be beneficial for DCI and government Agencies since it will expedite execution and completion of the project.

## **II. OBJECTIVES**

- 2.1 To provide a comprehensive and fully integrated HR Management Systems to government agencies and local government units.
- 2.2 To provide a solution that will help HR automate processes and allow paperless operations.
- 2.3 To provide a solution that is web-based, secure, and allows access to all employees and users of a Government Agency.
- 2.4 To provide a solution to Government Agencies that helps them comply to standards, statutory requirements, best practice and transcend from transactional to strategic HR Management.
- 2.5 To provide a solution for a biometrics-based and real-time attendance system that is fully and seamlessly integrated to the HRMS.
- 2.6 To provide a solution that is secure and capable to handle from small, to medium Agencies up to large and complex government bureaucracy.

## **III. DURATION OF CONTRACT**

The contract for the integrated and comprehensive Human Resource Management System (HRMS) shall be for ten (10) years, renewable under the same terms and conditions, and upon mutual consent of both parties.

## **IV. QUALIFICATIONS OF JV PARTNER**

- 4.1 The JV Partner must be operational for at least three (3) years.
- 4.2 The JV Partner must have developed, owned and has intellectual property rights for a HR Management System.
- 4.3 The JV Partner must have successfully installed and implemented an integrated HRMS to a government organization and/or private institutions in the Philippines or other countries, and shall provide evidence/certification thereof.

## V. SCOPE OF SERVICES

5.1 The Joint Venture between DCI and Private Entity (JV) shall offer a full package to install, deploy and maintain an integrated HRMS. This includes all necessary application, database management and hardware depending on the client needs. The JV will setup a cloud-based infrastructure that will serve as the production environment for all clients for subscription. However, should the client request to install the HRIS into its own On-Premise data center to protect private information, the JV will comply and deploy the system on premise.

5.2 The JV shall provide technical training for users, trainers and systems administrators of the client Agency who will use, manage and maintain the HRMS. Such technical training and implementations should take into account the relevant standards on personal data protection as espoused by the Philippine Data Privacy Act of 2012 and its implementing rules and regulations.

### 5.3 Integrated Human Resource Management System

5.3.1 The JV Partner shall establish an on-premise or cloud-based HRM for client Agencies. The integrated HRMS shall have the following sub-systems:

- Planning and Organizing
- Talent Acquisition
- Career / Recruitment Portal
- Records Management
- Benefits and Compensations
- Attendance System
- Payroll System
- Employee Relations
- Learning and Development
- Performance Management
- Career and Competency Management
- Employee Health and Wellness
- Biometric-based Timekeeping System

5.3.2 The JV Partner shall provide an HRMS that is fully web-based and can be deployed on Cloud or Client's private cloud infrastructure using relational database management system (RDBMS) database servers.

5.3.3 The JV Partner shall provide an HRMS with functionalities that allows access to employee and stakeholders base on roles and functions such as:

- **HR Management/Administrator** –Allows HR of organizations to manage and administer HR processes. HR management and staff use this module to handle operations and processes such as recruitment/staffing, 201 file and records management, benefits, attendance, payroll, competency and career, performance, training, health, and employee relations.
- **Employees** – Allows employees to access personal information and online transactions 24/7. In combination with the Managerial Service component, this module will enable the Agency to operate paperless.
- **Managerial** – Allows Managers and Supervisors access to online services such as inquiry, application, and approvals of transactions of staff or employees.
- **Applicant / Candidates** – Allows prospective applicants or candidate to create Personnel Data Sheet (PDS) profile and apply for positions published online. This should also allow Applicants to monitor their application online.

5.3.4 The JV Partner shall provide a Biometric-based Timekeeping solution that is fully and seamlessly integrated to the HRMS. The system must be capable for real-time capturing of employee logs across all locations and devices. The system should be capable for central management and seamlessly within the HRMS. The biometrics systems must be fully integrated with the HRMS employee records and movements, capable to activate, deactivate or transfer employee biometrics account base on movement issued by HR like transfers and termination of employment.

5.3.5 The JV Partner shall provide an HRMS with fully integrated critical features for HR as follows:

- 5.3.5.1 Data Analytics Feature allowing HR to mine critical data and prepare pivot-based and graphical based reports on the fly.
  - 5.3.5.2 Workflow Engine for routing and escalations of transactions. The workflow should be customizable at the user interface to handle possible unique escalation procedures of Agencies.
  - 5.3.5.3 Document Management that allows HR to upload digital records or files of employees to enable HR to have access to critical uploaded documents as needed.
  - 5.3.5.4 Content Management System to allow HR to post and publish articles, notices, forms, or policies. This feature should be enabled with separate viewing for employees, managers and supervisors, HR and Admins staff, and applicants.
- 5.3.6 The JV Partner shall provide an HRMS that can be integrated or interfaced to other systems such as financial systems, accounting systems and other systems as may be required by the client.
- 5.3.7 The JV Partner shall provide an HRMS that is secure with enough audit-trail. The security features of the system should be able to provide varying access rights based on roles or individually delegated access rights. As needed, the system should be able to integrate with the Active Directory (AD) of the client or comply with client's existing security policies and practices

## **VI. RESPONSIBILITIES OF JV PARTNER**

- 6.1 The JV Partner shall provide the integrated HRMS Solution and necessary licenses for every project the JV enters into. This excludes commercial and third-party licenses and infrastructure, unless stipulated and required by the client to be part of the deliverable of the project.
- 6.2 The JV Partner shall provide manpower for the operations and support services composed of the following:
- 6.2.1 Project Operations Personnel in the processing and/or management of the HRMS project.
  - 6.2.2 Technical Support Staff who will install, maintain, and manage the JV

infrastructure setup and the JV Data Center throughout the duration of this contract.

6.2.3 The foregoing manpower must possess the necessary knowledge of the relevant applicable laws and regulations on personal data privacy protection, as well as latest trends in data protection and data privacy.

### 6.3 Other Services

6.3.1 Designated Customer Service for every project to handle inquiries and support services.

6.3.2 The JV Partner's technical staff shall handle maintenance of the applications and database systems.

6.3.3 The JV Partner shall be responsible as the third (3rd) level support to all project clients, providing project management support and technical support for every project.

6.3.4 Maintain electronic copies of all records and documentations required by this Agreement for a period of not less than 10 years.

## VII. RESPONSIBILITIES OF DCI

7.1 DCI shall provide over-all project management of the HRMS and monitor clients' compliance with payment operational procedures, best practices and policies.

7.2 DCI shall perform marketing services such as but not limited to project selling, negotiations and binding contract/s offering all ICT product and services of the JV Partner to other government agencies.

7.3 DCI shall promote the use of HRMS for government institutions or agencies extensively.

7.4 DCI shall designate or ensure that DBP is depository bank for the JV Partner.

**VIII. TERMS OF PAYMENT**

**8.1 Revenue Sharing**

The JV shall obtain corresponding profit from the transactions made using the payment gateway according to the following:

|            |     |   |
|------------|-----|---|
| JV Partner | 70% | The proposal to be submitted may vary but any proposal for sharing on fees collected should have a percentage of not more than 70% for the JV partner |
| DCI        | 30% | The proposal to be submitted may vary but any proposal for sharing on fees collected should have a percentage of not less than 30% for DCI            |

**IX. WARRANTIES OF THE JV PARTNER**

- 9.1 The JV Partner warrants that it shall conform strictly to the terms and conditions of this Terms of Reference.
- 9.2 The JV Partner warrants, represents and undertakes reliability of these services and that its manpower complements are hardworking, qualified/ reliable and dedicated to do the service required to the satisfaction of DCI. It shall employ well-behaved and honest employees with ID displayed conspicuously while working within the premises of DCI. It shall not employ DCI employees to work in any category whatsoever.
- 9.3 The JV Partner shall comply with the laws governing employee's compensation, PhilHealth, Social Security and labor standards, and other laws, rules and regulations application to the personnel employed by JV Partner on account of the contracted services. The JV Partner shall pay its personnel not less than the minimum wage plus other benefits mandated by law.
- 9.4 The JV Partner in the performance of its services shall secure, maintain at its own expense all registration, licenses or permit required by National or Local



Laws and shall comply with the rules, regulations and directives of Regulatory Authorities and Commission. The JV Partner undertakes to pay all fees or charges payable to any instrument of government or to any other duly constituted authority relating to the use or operation of the installation.

- 9.5 The JV Partner personnel shall take all necessary precautions for the safety of all persons and properties near area of work and shall comply with all standard and established safety regulations, rules and practices.
- 9.6 The JV Partner shall coordinate with the Authorized and/or designated DCI personnel in the performance of their jobs.
- 9.7 The JV Partner shall be liable for loss, damage or injury due directly or indirectly through the fault of negligence of its personnel. It shall assume full responsibility thereof and the DCI shall be specifically released from any and all liabilities arising there from.

#### **X. CONFIDENTIALITY OF DATA**

- 10.1 DCI and the JV Partner shall ensure their respective compliance with the Philippine Data Privacy Act of 2012 and its implementing rules and regulations. To this end, all their respective procedures and processes that deal with “personal information” as defined under the said law and regulations will be made aligned to the data privacy principles adopted by said law. DCI and the JV Partner will endeavor to implement the required organization, physical, and technical security measures as outlined in the Philippine Data Privacy Act of 2012 and its implementing rules and regulations.
- 10.2 The JV Partner shall document detailed procedures/techniques in identifying systems security risks and breaches and how such shall be handled. Both Parties should agree on a security incident/breach reporting protocol/procedure that is consistent with the requirements under the Philippine Data Privacy Act of 2012 and its implementing rules and regulations.
- 10.3 All project staff of both parties is required to sign a Non-Disclosure Agreement (NDA) that should reflect their obligations under applicable laws

and regulations, including those covered by the Philippine Data Privacy Act of 2012 and its implementing rules and regulations.

- 10.4 The project HRMS through IT Integration, its components, parts and all products, product samples and specifications, data, ideas, technology and technical and non-technical materials, all or in any of which may be derived from any of the foregoing (all of which, individually and collectively), shall hereinafter be referred to as the "Proprietary Information" are confidential and proprietary to the JV Partner. Unless other agreed upon by herein Parties in writing, nothing in this Agreement shall constitute a transfer of ownership of any of these Proprietary Information from the JV Partner to DCI or to any other third party.
- 10.5 DCI agrees to hold the Proprietary Information in strict confidence. Furthermore, agrees not to reproduce, transcribe, disclose, or otherwise process the Proprietary Information to third parties without prior written approval of the both parties.
- 10.6 To ensure the confidentiality of all information that will come to the knowledge of the JV Partner and its employees detailed with the implementation of the project, the JV Partner and its employees assigned with the project HRMS through I.T. Integration shall be considered agents of the JV Partner. The contract that will be executed heretofore shall categorically provide that the Service Provide Partner and its employees, as agents of DCI, shall keep on strict confidentiality any information regarding the business.
- 10.7 The JV Partner and its employees shall be liable to the penalties imposed under Section 270, in relation to Section 269 of the Tax Code of 1997, in case of any unlawful divulgence of any information regarding the business, income, or estate of any taxpayer.

## **XI. CONDITIONS OF CONTRACT**

- 11.1 The JV Partner is exclusive to DCI for IT projects with government agencies. As such, the JV Partner shall course through DCI any business opportunities to any government agency related to the line of product and services DCI is offering with the same JV Partner. Whereas, this shall not be construed that DCI is exclusive to JV Partner. DCI shall ensure that this term is incorporated

or considered in its contract/s with its clients.

- 11.2 In the event that DCI's client terminates the use of the Services without reasonable cause before the end of the Term of its contract or agreement therewith, a pre-termination penalty applies, which shall essentially cover the minimum charges for the unused term of the contract or agreement. DCI shall include a pre-termination clause in any Contract or Service Agreement it signs with its Clients.
- 11.3 The JV Partner shall reserve the right to review the contract prepared by DCI with its client. Any contract drafted by DCI with its client or third party should be in conformity with the JV Partner Agreement between DCI and the JV Partner. Any stipulation contrary to said JV Partner Agreement shall be void.
- 11.4 This Terms of Reference defines that DCI shall not incur additional payments other than the agreed share in the JV Partner.

## **XII. PRE-TERMINATION OF CONTRACT**

- 12.1 The contract for the project HRMS through I.T. Integration may be terminated for any violation of the terms of the contract. In case of pre-termination, the JV Partner shall be informed DCI sixty (60) days prior to such pre-termination.
- 12.2 The JV Partner shall continue to be in force unless sooner terminated by either party through a written notice sixty (60) calendar days prior to intended date of termination.
- 12.3 Either party shall have the right to recover all amounts which had already become due from the other party prior to the termination or any other pre-termination penalties as well as all the expenses and cost incurred in recovering such amount.
- 12.4 All Agreements, specifically its Terms and Conditions related to any Project or Activated Service created shall continue to be in force with DCI's clients even after the Termination of this Agreement, until such time that the terms and conditions set forth in the said Agreements with DCI's clients have been fully served. In which case, JV Partner shall continue all its support and

maintenance series related to the use of systems and solutions covered by this Agreement.

*\*\*\* Nothing Follows \*\*\**