

<b>WORK INSTRUCTION</b>			
<b>PROJECT NEGOTIATION AND CONTRACTING</b>			
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**1.0 PURPOSE.** To establish, document, implement and maintain work instruction for negotiating and contracting projects and to ensure that appropriate Terms of Reference are understood and incorporated in a contract.

## **2.0 SCOPE**

2.1 This documented information covers negotiation activities after conceptualization and development of a project starting from client's acceptance of the proposal up to distribution of approved final contract.

## **3.0 DEFINITION OF TERMS**

3.1 **Certificate of Availability of Funds (CAF)** – a document issued by the client's accountant as proof that funds for a project are available.

3.2 **Letter of Conforme (LOC)** – is used to formalize the agreements with an agency related to a project or any undertaking amounting to below P500,000.00.

3.3 **Memorandum of Agreement (MOA)** – is used to formalize the agreements with an agency related to a project or any undertaking amounting to P500,000.00 and above.

3.4 **Memorandum of Understanding (MOU)** – is used to formalize the agreements with an agency related to a project or any undertaking without any financial obligations from both parties.

3.5 **Pro-forma contracts** – contracting instrument which varies in format, standards and requirements depending on the funding institution (such as UNDP, WB, AusAid, CIDA, et.)

3.6 **WorkPlan** – detailed lists of project activities.

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#### 4.0 DETAILS:

<b>Item No.</b>	<b>Activity</b>	<b>Responsibility</b>	<b>Interface</b>
4.1	<b>Project Negotiation</b>  The negotiation stage starts once the client either accepts the proposal or requests for modifications of the proposal. It is in this stage also that the details of the project proposal are discussed with the client in order to seek concurrence on the proposed intervention.	Institutional Marketing Center Group and/or Center Head with the assistance of concerned proposal writers	Project Proposal Client Contact Report
4.2	<b>Contract Preparation and Review</b>  Contracting starts once the client gives the verbal/formal go signal to proceed with the Project. It is in this stage that agreements between the Academy and the client are captured in a contract either through a MOA, MOU or LOC, and other acceptable contracting instruments.  Program Manager completes all documents and certified by Center Head and Group Head  A parallel contract review by the Finance and Legal Office of the Academy follows.  Proposed amendments, if any, are then incorporated to the final contract.	Project Manager Group and/or Center Head with the assistance of concerned proposal writers	Draft MOA / MOU/LOC  TOR or Project Proposal  Approved Project Implementation Plan (PIP)  CAF and Workplan  Contract Review Routing Form



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Item No.	Activity	Responsibility	Interface
4.3	<b>Contract Perfection</b>  The final contract is reproduced/printed in seven (7) copies (4 originally signed and 3 photocopies with original notarization as substantial compliance) and endorsed for signing of authorized representatives of both parties and their respective witnesses. The signed contracts are then notarized and distributed to the concerned parties. Distribution of final contract is as follows: Client, Center, Central Records Unit, Finance Dept, Legal, Notary Public (2 copies)	Project Manager Technical Staff	Final MOA / MOU/ LOC  Transmittal Letter to client

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## **5.0 REFERENCES**

- 5.1 MC-2009- 007 Guidelines in Preparing Letter Proposals
- 5.2 Board Resolution 2008-05 Authorizing the President of the Academy, and his Duly Authorized Authorized Representative to Represent, Participate, Negotiate and be an Official in such Transactions wherein the DAP is Bidding for a Project Engagement
- 5.3 OO-2010-005 Contracting Instruments
- 5.4 MC-2010-010 Contract Preparation
- 5.5 MC-2010-024 Preparation of MOA
- 5.6 MC-2012-017 Project Related Contracting Instruments
- 5.7 SO-2013-229 Signatory to Certain Project-related Documents
- 5.8 Memorandum dated 12 July 2013 Request for Authority to Proceed without a Signed Contract