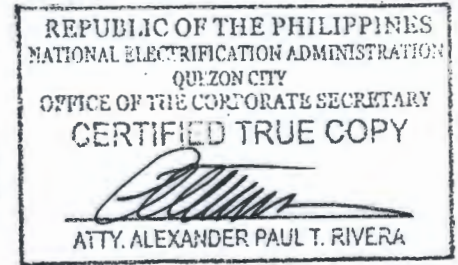
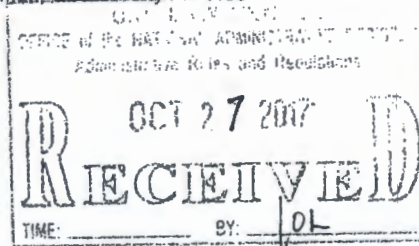




24 October 2017

MEMORANDUM No. 2017-035



TO : ALL ELECTRIC COOPERATIVES

SUBJECT : REVISED POLICY ON THE SELECTION, HIRING, TERMINATION OF SERVICE/SUSPENSION FOR GENERAL MANAGERS OF ELECTRIC COOPERATIVES (3RD REVISION)

I. RATIONALE

The power industry has been deregulated and has become highly competitive as a result of the Electric Power Industry Reform Act (EPIRA) of 2001. The Electric Cooperatives (ECs) and the other players in the industry have to contend with the new requirements of the regulators, suppliers as well as the demands of the Member-Consumer-Owners (MCOs).

Moreover, Republic Act No. 10531 of 2013 Amending Presidential Decree No. 269 Mandated NEA to promote Sustainable Rural Development through Rural Electrification, which under the new vision of NEA shall be attained in partnership with Globally Competitive ECs and Empowered MCOs.

Thus, to ensure the able compliance and successful response by the ECs to all these new challenges, an EC General Manager (GM) must be highly qualified, competent and dedicated to spearhead all efforts towards the attainment of the targeted results.

The selection, hiring and termination of service/suspension of a GM are some of the most sensitive procedures in an EC. To promote transparency and prevent complications that may arise from the conduct of such procedures, a uniform set of standards for the selection, hiring and termination of service/suspension of a GM, to be followed by all ECs, is instituted by the NEA thru this policy.

II. POLICY STATEMENTS

1. NEA's guidelines specify the qualification standards for a GM which include the prescription on academic preparation, work experiences, personality and character and other qualities. (amended)
2. The Board of Directors (BOD) of an EC shall appoint or terminate the service/suspend a GM in accordance with the guidelines set forth by the NEA.
3. The Board of Directors and the successful applicant shall enter into a Performance Management Contract (PMC) to ascertain the level of competency and potential as initially determined by the entrance test results, during actual application, is effective and sustained.

III. IMPLEMENTATION

1. Publication of the Vacancy

- a) On the request of the Board or upon determination of NEA, an advertisement shall be published by NEA on behalf of the EC, in at least one major newspaper of nationwide circulation that will appear in one Sunday and one Monday issue. The EC will also advertise the vacancy in provincial papers covering its service area. (See attachment 1 for sample). The coop will pay for both the national and local advertisements.
- b) Should the EC Board choose to recommend to NEA a Department Manager of the EC to the vacant position, an advertisement shall be made in the local newspaper informing the MCOs in coverage area of such recommendation based on the following:
 - b.1) Such Department Manager has been an OIC of the EC for a period of six (6) months;
 - b.2) Has been rated very satisfactory in his/her performance during his/her six (6) months stint as OIC;
 - b.3) Shall undergo the regular process of hiring prescribed by NEA rules and regulations.

The public shall also be encouraged to submit any information in support of the application or otherwise.

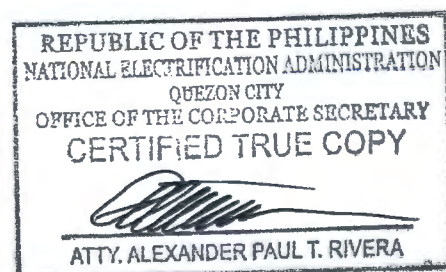
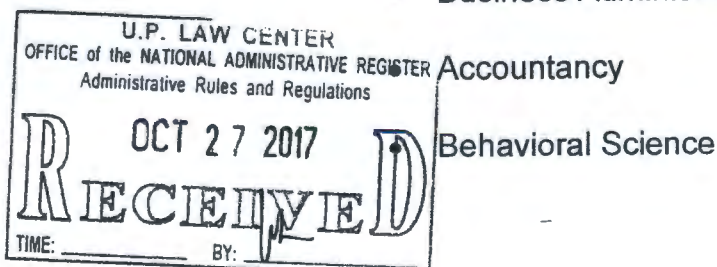
- c) 1. To avoid undue influence to the EC Board and Management, an incumbent Board Director is eligible to apply for the position of GM only after three (3) years that he has ceased to be a member thereof. this shall also apply to incumbent directors applying for the position of GM in other ECs.

2. To give all applicants vying for the position a fair and just chance in the selection process, an incumbent OIC-GM who applied for the GM position shall relinquish his/her designation as OIC.

d) Qualifications

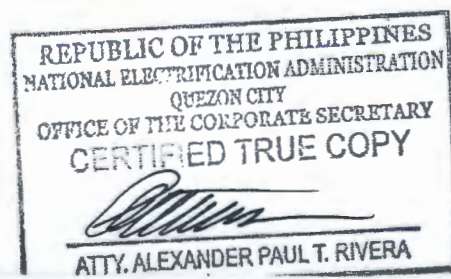
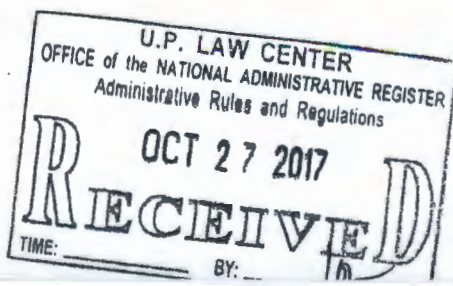
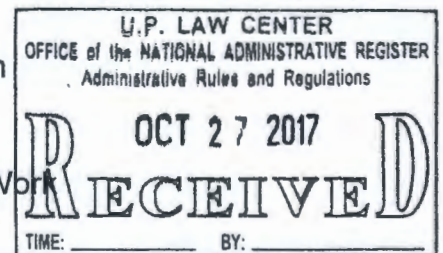
d.1 Applicant must have a bachelor's degree from accredited schools/universities in any of the following fields:

- Engineering (preferably Electrical, Mechanical and Electronics and Communications Engineer)
- Business Administration/Finance Management



- d.2 Completion of post graduate degree or its equivalent, or with master's degree/s is preferable
- d.3 Must have at least five (5) years supervisory experience and must be willing to relocate with his family in the coop headquarters site.
- d.4 Trainings/seminars in any or all for the following areas:
- Electric Cooperative Principles Supervision and/or Management
 - Strategic Planning/Organization and Operation of Business Enterprises
 - Values Enhancement and Leadership Trainings
 - Resource Utilization, Development and Management
 - Corporate Governance
 - Energy Management
 - Technology Management
- d.5 Skills Required
- Communication Proficiency (Oral and Written)
 - Computer Literacy
 - Networking Ability
 - Effective Public Relations
- d.6 Work Experiences
- At least five (5) years experience with proven track record in the effective management of a successful electric utility-related business enterprise.
 - Must have held at least two or more senior management positions involving business leadership or managerial functions.
 - Must have no derogatory or adverse administrative record in any of his/her previous employment/s.
- d.7 Personality and Character

- Sound Physical and Mental Disposition
- Strong Leadership Qualities
- Ability to Withstand Pressure
- Pragmatic and Productive Outlook in Work
- High Sense of Integrity
- Logical Reasoning and Judgment
- Enthusiastic and Innovative Work Attitude
- Profound Values in Humility and Honesty



2. Screening of Applicants

- a. All applicants shall use NEA Form 4-1 (Attachment 2) and shall submit the completed application form to the Institutional Development Department (IDD)-NEA within the deadline indicated in the advertisement.
- b. All applicants shall pass thru a qualifying written examination to be administered by NEA which shall measure Intelligence Quotient, Emotional Quotient, computer literacy, knowledge of the industry and management perspectives.

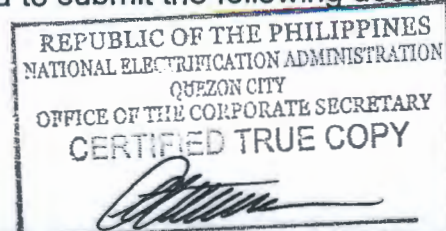
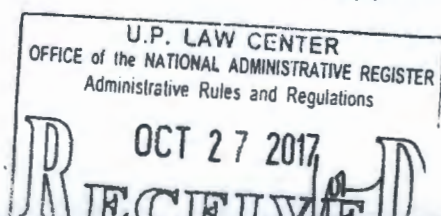
An essay examination shall be taken by the applicant using the computer, as a gauge to measure applicant/s knowledge and capability relevant to the operation of an electricity/power industry.

- c. A Preliminary Screening Team composed of NEA Members in the Selection Committee shall process applications of those who passed the qualifying examinations to determine their fitness to the stipulated vacant position.

The Selection Committee for General Managers shall be composed of the following:

Chairperson -	Director for IDD
Members -	Director for EC Audit, Director for Finance Director for Account Management Director for Engineering Director for Management and Consultancy Services Office, Director for Corporate Planning Director for Opass Head Executive Assistant

- d. The pre-qualified candidates will be invited to appear for personal interview before the selection committee at NEA on a designated date. An applicant who fails to report for interview shall be deemed to have waived his/her right to be interviewed.
- e. The Selection Committee shall choose best qualified applicants on the basis of scores obtained in the interview using NEA form 4-2 (Attachment 3). Only applicants who attained a score of 80 or above shall qualify for further consideration. Mechanics for rating shall be defined in the implementing rules issued for this purpose.
- f. These applicants shall then undergo background investigation (BI) to be conducted by NEA. To aid NEA in the conduct of investigation, the applicants shall be required to submit the following documents:



- 1) Municipal Trial Court (MTC) Clearance/Regional Trial Court Clearance (RTC)
- 2) Police Clearance
- 3) NBI Clearance
- 4) Barangay Clearance
- 5) Medical Clearance (including results for psychological examination)
- 6) Drug Test Result (through blood test)
- 7) Diploma
- 8) Transcript of Record (graduate and post-graduate studies)
- 9) Statement of Assets and Liabilities (SALN)
- 10) Combine 2 Years copy of Income Tax Return (ITR)
- 11) Birth Certificate
- 12) Marriage Contract (if applicable)
- 13) Photocopy of Board/Bar License/s (If Applicable)
- 14) Service Record
- 15) Certification of no record of apprehension on electricity pilferage from issued by the EC TSD

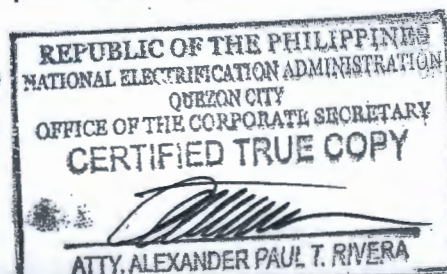
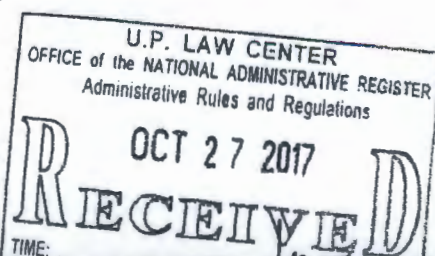
g. After the BI, applicants with no derogatory records will be called for final interview before the NEA Board of Administrators.

h. The list of applicants who passed the NEA Board final interview, with necessary information and results of the Background Investigation, shall then be transmitted to the EC Board for perusal and selection.

3. Selection. From the list of names forwarded by NEA, the EC BOD shall select the GM of their choice. In the event that the Board rejects all pre-qualified applicants, a Board Resolution shall be submitted to NEA containing valid reason(s) for such rejection which shall then be evaluated, and if found reasonable the entire selection process may again be undertaken at the expense of the EC. However, if the reasons given are unreasonable the NEA shall appoint from among the pre-qualified applicants. The EC board shall then be informed of such appointment.

4. Approval. The EC Board shall then notify the applicant of his selection as GM or appointment as GM by NEA, as the case maybe, under a Performance Management Contract (PMC) for one (1) year (copy of template is attached). A PMC shall be executed between the EC Board and the applicant. The PMC and Board Resolution shall then be submitted to NEA for approval within 10 days from the execution of the PMC together with the workplan mentioned in item no. 5.

The PMC shall be submitted to NEA with all supporting documents mentioned above and within the prescribed period. Otherwise, no action shall be taken by NEA on PMC with incomplete documents.



The EC Board shall be held responsible and accountable to ensure that all prescribed requirements for the approval of PMC is complied with.

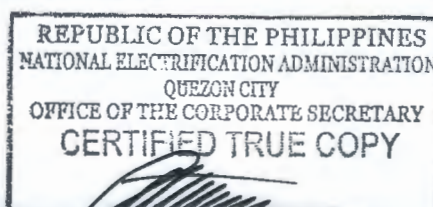
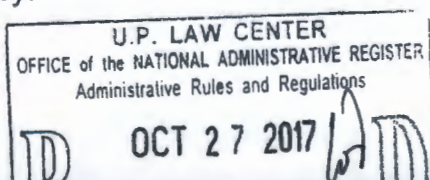
5. Probationary Period. The GM shall submit a work plan as an integral part of the PMC detailing his actions for one (1) year with clear and measurable performance indicators. This shall be the basis of the evaluation by the BOD.
6. Orientation. To assist the GM to meet his/her new job responsibilities quickly and easily, he/she shall attend NEA seminars like CMC I and II for new coop General Managers and Board of Directors. The orientation shall be undertaken during the period of PMC.
7. Permanent Appointment. Sixty (60) days before the expiration of the PMC of the GM, the Board will notify NEA of its decision and ask approval together with the GM's Performance Evaluation by the Board. No permanent appointment shall be made without NEA approval. The board's decision shall be in the form of a resolution accompanied by a completed evaluation sheet. The NEA shall conduct its evaluation based on the workplan submitted.
8. Termination of Service/Suspension. If the Board decides to terminate his/her employment, the Board shall submit to NEA of its decision through a Board Resolution and shall request approval. The GM cannot be dismissed without NEA approval. No action shall be taken to dismiss a GM until the case has been reviewed by the NEA to make sure THAT any action taken will comply with the existing rules of NEA and labor laws.
9. Designation of an Officer-In-Charge (OIC). In case of resignation, suspension, termination, leave of absence or official travel outside of the cooperative area, an OIC shall be designated from among the Department Managers of the EC. Except for reason of leave of absence or official travel not exceeding one month, in which the authority to designate an OIC is vested on the GM, designation for all other reasons shall rest on the Board, subject to the approval of the NEA. In no case shall an incumbent Board Director or one who is not an incumbent employee of the EC be designated as OIC.

IV. GENERAL

The successful operation of an electric cooperative as a service enterprise depends in substantial degree upon the effectiveness of its General Manager. It is, therefore, essential that a competent, dedicated person of high integrity be selected for this position. This is major responsibility of the Board of Directors. NEA Is Mandated under section 4 (e), chapter 2 of republic act 10531 to supervise the management and operations of ECs and will exercise close supervision over the selection and dismissal of the General Manager.

V. POLICY GUIDELINES

The NEA shall issue such guidelines as may be deemed necessary to implement this policy.



- VI. Approved by the NEA Board of Administrators through Resolution No. 128, s. 2017 on 23 October 2017. This supersedes NEA Memorandum No. 2004-022 dated October 21, 2004; NEA Memorandum No. 2004-023 October 21, 2004 and NEA Memorandum No. 2008-008 dated May 12, 2008.
- VII. This guidelines shall take effect on the fifteenth (15th) day following its publication in the newspaper of general circulation and in the University of the Philippines (UP) Law Center.

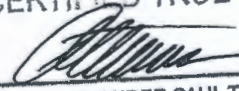

EDGARDO R. MASONGSONG
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION
Office of the Administrator



NEA-OA245054 *SP*
10/24/17

REPUBLIC OF THE PHILIPPINES
NATIONAL ELECTRIFICATION ADMINISTRATION
QUEZON CITY
OFFICE OF THE CORPORATE SECRETARY
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ATTY. ALEXANDER PAUL T. RIVERA

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