KNOW ALL PERSONS BY THESE PRESENTS

This **COLLECTIVE NEGOTIATION AGREEMENT** entered into by and between:

The **NATIONAL COMMISSION FOR CULTURE AND THE ARTS**, a government agency created under Republic Act No. 7356 which serves as the central coordinating and policy-making arm of the government for cultural and artistic development with office address at NCCA Building, 633 General Luna Street, Intramuros, Manila, hereinafter referred to as the **"MANAGEMENT"** and represented by its Executive Director, **ADELINA M. SUEMITH.**

and

The **NATIONAL COMMISSION FOR CULTURE AND ARTS EMPLOYEES ORGANIZATION**, a duly organized and existing legitimate labor organization with Registry No. 1058 dated April 9, 2002, issued by the Department of Labor and Employment (DOLE) and the Civil Service Commission (CSC), and duly accredited by the CSC under Accreditation Certificate No. 330 dated July 29, 2002 with office address at 633 General Luna Street, Intramuros, Manila, hereinafter referred to as **"NEO"** and represented in this Agreement by its President, **LAWRENCE EMIL C. GONZALES.**

WITNESSETH:

WHEREAS, the 1987 Philippine Constitution and Executive Order No. 180 recognize and guarantee, among others, the rights of government employees to self-organization and collective negotiations;

WHEREAS, the **MANAGEMENT** recognizes and supports the right of employees to self-organization and collective negotiations;

WHEREAS, the **MANAGEMENT** views collective negotiation as a useful instrument to strengthen merit and fitness principles in the civil service;

WHEREAS, **NEO**, under CSC Accreditation Certificate No. 330 dated July 29, 2002 was accredited as the sole and exclusive bargaining agent for all the rank-and-file employees in any negotiation affecting employment;

WHEREAS, the **MANAGEMENT** and **NEO** have common desires to improve the working conditions and benefits at the NCCA, to promote harmonious and better employee-management practices and to enhance the NCCA's efficiency and effectiveness in providing better and responsive services to the public;

WHEREAS, both the **MANAGEMENT** and **NEO** have mutually agreed to formally enter into a collective negotiation with the ultimate objective of working together as partners for effective governance.

NOW, THEREFORE, for and in consideration of the foregoing premises, the **MANAGEMENT and NEO** hereby agree and bind themselves to the provisions of this Collective Negotiating Agreement:

ARTICLE I
DECLARATION OF PRINCIPLES

Section 1. **Public Accountability.** The **MANAGEMENT** and **NEO** share the vision of decent and productive employment for every Filipino worker, and shall be accountable to the public for serving them with the highest professional and ethical standards.

Section 2. **Laws and Policies.** The **MANAGEMENT** and **NEO** shall observe national policies as well as policies of international organizations that the Philippines has ratified, regarding the right of workers to self-organization, collective bargaining and negotiations and concerned activities, including the right to strike in accordance with law.

Section 3. **Rights of Employees.** The **MANAGEMENT** and **NEO** shall recognize the basic rights of employees to a just and decent salary, security of tenure, career development and humane working conditions.

Section 4. **Authority and Prerogative. NEO** recognizes the authority and the prerogative of the **MANAGEMENT** to implement policies governing the terms and conditions of employment in the **MANAGEMENT** in accordance with existing laws and in good faith.

Section 5. **Employee Participation.** The **MANAGEMENT** and **NEO** recognize the importance of employee participation in policy and decision-making processes affecting the employee's welfare.

Section 6. **Non-interference.** The **MANAGEMENT** shall not interfere with the establishment, operation and administration of **NEO** through acts designed to place the **NEO** under its control.

Section 7. **Equality.** The **MANAGEMENT** and **NEO** shall ensure the fundamental equality before the law of women and men, and shall not discriminate on the basis of gender, race or creed, in line with the UN Convention on the Prevention of All Forms of Discrimination.

ARTICLE II
COVERAGE

Section 8. **Coverage.** The appropriate negotiatining unit covered by this Agreement shall consist of the rank-and-file employees of the National Commission for Culture and the Arts whose functions are not policy – determining or whose duties are not highly confidential in nature.

ARTICLE III

RECOGNITION, REPRESENTATION, PRIVILEGES, AND SECURITY

Section 9. **Sole and Exclusive Negotiating Agent.** The **MANAGEMENT** recognizes **NEO** as the sole and exclusive negotiating representative of all NCCA Employees within the collective negotiating unit.

Section 10. **Non-Discrimination.** The **MANAGEMENT** shall not discriminate against any employee by reason of membership in the **NEO**, or against any officer or duly authorized representative of **NEO** for acts performed in accordance with law, or pursuant to this Agreement.

Section 11. **Direct Dealings.** The **MANAGEMENT** shall deal only through and directly with **NEO** on all matters and issues affecting the rights, benefits and interests of all NCCA employees during the affectivity of this Agreement in accordance with existing government rules and regulations.

Section 12. **Committee Representation.** Pursuant to the principles of shared responsibility and employee empowerment, the **MANAGEMENT** recognizes the right of **NEO** to be represented in the following committees:

1.1 Personnel Selection Board (PSB);
1.2 Personnel Development Committee (PDC)
1.3 Program for Awards & Incentives for Service Excellence (PRAISE);
1.4 Grievance Committee (GC);
1.5 Performance Management Group (PMG);
1.6 Management Committee (MANCOM), whenever applicable, such as working conditions and benefits;
1.7 GAD Focal Point System (GFPS);
1.8 Bids and Awards Committee (BAC), as observer during public bidding on matters concerning employee welfare and benefits
1.9 Special Committees such as reorganization/staffing, sports, cultural, anniversary and Christmas celebration, uniform/clothing, 5S team, among others, when matters affecting working conditions and benefits are to be discussed.

Section 13. **Official Business Privilege.** Subject to the exigency of service and the usual notification requirements, the **MANAGEMENT** shall allow members of the **NEO** to attend, on official time and as official business, regular monthly and special meetings within the office premises as scheduled under its by-laws, as well as general assemblies and other **NEO** activities.

Section 14. **Support for NEO's Operations.** In recognition of the important tasks that **NEO** shall provide to the employees, the **MANAGEMENT** shall provide **NEO** with the following facilities for its operations:

a) an adequate office space (such as an already existing structure/office) for its principal office with equipment, water, electricity, communication facilities including internet service, reasonable amount of office supplies, and janitorial service, free of charge;

b) free use of conference halls and other facilities for its meetings and activities, subject to standard availment procedures;
c) service vehicles, including driver and fuel for the use of its officer or authorized representatives when attending meetings called by government agency or any duly accredited organization on meetings concerning the welfare of employees subject to standard availment procedures.

Section 15. **Support for NEO Education and Training.** The **MANAGEMENT** shall support **NEO** in the conduct of annual training needs of the officers and members of NEO thru the following:

a) Allowing their conduct of labor education for employees in the negotiating unit for the purpose of enlightening them of their rights, obligations and responsibilities under the law and this Agreement, to be conducted on official time with provision for reasonable meals, subject to availability of funds;

b) Allowing **NEO**, through its officers and authorized representatives, to conduct on official time orientation programs for newly-appointed or hired employees, concerning **NEO'**s by-laws, programs, activities, and benefits under this Agreement.

c) Allowing their attendance on official time to Workers' Congress program, seminars, conference, convention or training conducted by government agencies and non-government organizations, subject to exigency of the service.

Section 16. **Collection of Recyclable Materials.** The **MANAGEMENT** with the aid of the Genereal Services Section, shall allow **NEO** to collect used paper, ink cartridges, old newspaper and other recyclable materials. Any amount generated from the sale of the foregoing materials shall be used by **NEO** for programs to enhance employees' welfare. The program may be expanded, subject to guidelines that may be mutually agreed upon by the parties.

Section 17. **Information Dissemination**. The **MANAGEMENT** shall provide the **NEO** with at least 1 bulletin board in the principal office whose use shall be subject to CSC MC 33, series of 1994. In addition, the **MANAGEMENT** shall allow **NEO** to create social-media accounts (Facebook, Twitter, Instagram etc.) for better and convenient communication among the members.

Section 18. **Information on Employee Movements.** The **MANAGEMENT** shall furnish **NEO**, upon proper request and representation, with a) list of newly appointed employees within the negotiating unit, b) certified copy of Plantilla of Personnel. The **MANAGEMENT**, through the HRDS, shall also inform the **NEO** about the separation from the service of the employees not later than [5] days after the filing of notice of such retirement or resignation, or before the effective date of dismissal of the employee/s.

Section 19. **Membership in NEO**. All employees of the **MANAGEMENT** who are members of **NEO** as of the date of signing this Agreement may continue to remain as members. All others shall be eligible to become members of **NEO** on a voluntary basis subject to the provision set forth in its Constitution and by-Laws.

Section 20. **Check off.** Upon receipt of a written authorization form from the employee-members of **NEO**, the **MANAGEMENT** shall deduct, through payroll deduction, the corresponding union dues, membership fees, assessments, fines, loan payments, and other deductions from the salaries of its members based on the terms of payment as approved by the **NEO** Officers. All deductions shall be remitted to **NEO** every 15th and 30th of the following month.**NEO** shall furnish the **MANAGEMENT** with its annual financial report not later than the end of January of the succeeding year.

Section 21. **Agency Fee**. In accordance with PSLC Resolution No. 1 series of 1993, the **MANAGEMENT** shall deduct from the salary of the employees who are not members of **NEO** but who form part of the negotiating unit and enjoy the economic benefits under this Agreement, a reasonable amount equivalent to the dues and other fees regularly being paid members of **NEO**.

Section 22. **Non-diminution of Existing Benefits.** Nothing in this Agreement shall be constructed to diminish or reduce any benefit or privilege already being enjoyed by the employees of the **MANAGEMENT** under existing laws, rules and regulations.

ARTICLE IV

NEO-MANAGEMENT PARTNERSHIP

Section 23. **NEO-MANAGEMENT Consultative Committee**. To sustain the initiative of the MANAGEMENT and the the NEO concerning organizational productivity and employees' development and welfare, a NEO-MANAGEMENT Consultative Committee [NMC] shall be created to be composed of members of the **MANAGEMENT** Committee and officers of **NEO**.

Section 24. **Functions.** The NMCC shall be the vehicle for:

a) drawing up the implementation of this Agreement;
b) monitoring the implementation of this Agreement;
c) identifying the productivity improvement and cost-efficiency measures;
d) reviewing the **MANAGEMENT"s** financial records and report of operation yearly;
e) recommending guidelines/criteria to be followed in the grant of the CNA Incentive; and
f) recommending solutions or acting on issues arising from the interpretation of this Agreement

The NMCC shall have oversight functions over the implementation of CNA and may create sub-committees for this purpose.

ARTICLE V
BENEFITS & INCENTIVES

Section 25. **NCCA Program on Awards and Incentice for Service Excellence (NCCA PRAISE)**. The **MANAGEMENT** and **NEO** shall within the period of this Agreement update the existing PRAISE, to identify creative forms of awards and provide financial incentives for meritorious performance and significant contribution to the attainment of the **MANAGEMENT's** annual targets at the individual, team or organizational levels, subject to government rules.

Section 26. **Clothing Allowance**. The **MANAGEMENT** shall provide all qualified employees with clothing allowance in accordance with the General Appropriations Act.

Section 27. **Rice Subsidy**. The **MANAGEMENT** shall grant all employees a rice subsidy as sourced from its savings in accordance with the Office of the President Administrative Order No. 228, series of 2008.

Section 28. **Loyalty Pay**. The **MANAGEMENT** shall grant all employees of a loyalty pay not of not more than One Thousand Pesos (P1,000.00) for every of service to be paid on the 10th year of continuous and satisfactory service and every five [5] thereafter, pursuant to CSC MC No. 06, series of 2002.

Section 29. **Step Increment.** The **MANAGEMENT** shall grant a step increment for every three [3] years of continuous satisfactory service in the position, pursuant to CSC Memorandum Circular 6 series of 2012.

Section 30. **Provident Fund.** The **MANAGEMENT** and **NEO** shall prioritize the creation and implementation of the NCCA Provident Fund for its employees in accordance with Executive Order No. 641 [25 July 2007] and DBM Budget Circular No. 2008-3 [20 July 2008]. The **MANAGEMENT** shall provide employer conditions such as part-time assignment of existing personnel and use of necessary agency facilities and equipment. Future government monetary contributions will be sourced from savings subject to the Guidelines issued by DBM.

Section 31. CNA Incentive. The MANAGEMENT, pursuant to Administrative Order No. 253 [21 December 2011] and DBM Budget Circular No. 2012-4 [17 December 2012], shall grant CNA incentive in recognition of the efforts of labor and management to achieve all plan targets, programs and services approved in the agency's budget at lesser cost and shall release the same to all covered employees in the Collective Negotiation Unit. The CNA Incentive shall be sourced from the agency's savings from released allotments for MOOE for the current fiscal year. Such savings are limited only to the following MOOE items:

a) Travelling expenses;
b) Communication expenses;
c) Repairs and Maintenance expenses;
d) Transportation and Delivery expenses;
e) Supplies and Materials expenses; and
f) Utility expenses.

Section 32. **Continuity of Benefits.** All privileges and benefits not specifically provided for in this Agreement but are presently accorded or may in the future be accorded to employees shall not be discontinued by NCCA. In the event of their discontinuance, NCCA shall exert all necessary efforts for the restoration of these concerned benefits or privileges. In case of refund, the **MANAGEMENT** agrees to implement this on a staggered basis.

Section 33. **Official Bank Account of NEO.** The **NEO** shall establish an official bank account where the savings and funds, generated from membership dues, loans, fundraising activities etc., will be deposited.

ARTICLE VI
RECRUITMENT, PLACEMENT, TRANSFER/CROSSPOSTING, REASSIGNMENT, PROMOTION, AND TERMINATION OF EMPLOYMENT

Section 34. **Adherence to Policies.** The **MANAGEMENT** shall ensure adherence to the recruitment, promotion, placement and termination policies under existing laws and CSC rules and regulations.

Section 35. **Promotion and Selection.** The **MANAGEMENT** shall regularly update its Merit Promotion Plan, in consultation with **NEO** every three [3] years.

Section 36. **Next-in-rank**. Qualified next-in-rank employees shall become priority contenders for promotion; provided they signify their intention to be considered and they possess the minimum qualifications for the position.

Section 37. **Termination of Employment.** Except for voluntary resignation, retirement, or expiration of contract or appointment, all employment shall be terminated only for just cause after observance of due process. For voluntary resignations, there should be a concurrence between the employee and the immediate supervisor or division head to ensure proper turnover of job function and responsibilities. The **MANAGEMENT** shall furnish **NEO** with the results of the exit interview.

Section 38. **Reorganization or Internal Restructuring.** The **MANAGEMENT** shall consult **NEO** regarding any plans or programs on recruitment, reorganization or internal restructuring involving the creation, abolition, reclassification, or upgrading of positions.

ARTICLE VII
EMPLOYEE WELLNESS AND WELFARE

Section 39. **Safety and Health.** The **MANAGEMENT** shall conform to and comply with applicable regulations requiring safety, health and sanitary working conditions prescribed by law whenever applicable. The **MANAGEMENT** and **NEO** shall jointly conduct a yearly self-assessment of the working condition in the **MANAGEMENT**, and develop corresponding action plan for its compliance to OSH standards.

Section 40. **Comprehensive Employee Wellness and Health Care Program.** The **MANAGEMENT** in consultation with **NEO** shall develop and implement a Comprehensive Employee Wellness and Health Care Program that will complement the existing PhilHealth Program as may be allowed by law, provided that the rules and regulations on government procurement services under the law, and accounting and auditing rules are observed in its implementation**.** Such program may include the following:

a) Free annual physical, medical, dental and optical check-up and follow-up check-up as provided through Section 2, Rule XII of the Amended Rules and Regulations of Executive Order No. 180; identify gender specific examinations or treatments for gender specific diseases
b) Maintenance of medical/physical and dental record/history of each employee;
c) Provision of first-aid facilities in every floor where no medical clinic is located and treatment for emergency cases;
d) Training of employee teams on first aid, pursuant to CSC MC 33, series of 1997.
e) Continuing education on health and wellness thru seminars and print materials
f) Provision of gym, sports and other physical fitness activities.

Section 41. **Personal Protective Equipment.** The **MANAGEMENT** shall provide free personal protective clothing, gears, and equipment and first-aid kits for employees who require such protection, particularly those doing messenger duties and general services.

Section 42. **Equitable Distribution of Career/Employee Development Opportunities.** The **MANAGEMENT** shall ensure the development of all NCCA employees. The equitable distribution of career/employee development opportunities, particularly training and scholarship grants, both local and foreign, shall be directly observed through agreed procedures / criteria. The award of training, study, and scholarship grants, representation, both local and foreign, shall be governed by relevant rules, as implemented by the Personnel Development Committee.

Section 43. **Education and Scholarship**.The **MANAGEMENT** recognizes the continuing and professional growth of employees; it shall provide support, pursue undergraduate, graduate and postgraduate studies as well as technical or skills training, seminars, workshops, fellowships, scholarships, study grants, and similar development programs, local and abroad. The **MANAGEMENT** shall allow free use of office facilities and equipment, electricity, among others, especially to trainings/classes conducted at the NCCA building.

Section 44. **Sports, Recreation and Cultural Programs**. The parties agree to institutionalize an Employee-Management Sports, Recreation and Cultural Committee with equal representation from **MANAGEMENT** and **NEO**, which shall meet regularly. The Committee shall formulate comprehensive and continuing physical fitness/sports, recreational and cultural program for all levels and ranks. The **MANAGEMENT** shall encourage full participation and cooperation of all officials and employees in such programs. Thus, time spent for these activities shall be considered as official time.

Section 45. **Support to NCCA Clubs/Hobby/Music or Arts Organizations.** The **MANAGEMENT** shall support the establishment of NCCA clubs/hobby and/or music or art organization to also allow the development of personal talents and interests. Subject to standard availment procedure and availability of funds, uniform, monetary incentive or compensatory day/time-off shall be given only to NCCA club members who perform representing the **MANAGEMENT** in special events.

Section 46. **Recreation Area.** The **MANAGEMENT** shall provide the employees a permanent area for recreational purposes. It shall likewise provide the necessary physical fitness, sport and/or recreational equipment and facilities for use of all employees, free of charge.

Section 47. **Drinking Water Supply.** The **MANAGEMENT** and **NEO** shall provide potable drinking water accessible to all the employees and clients of the office.

Section 48. **Calamity Financial Assistance.** The **MANAGEMENT** shall provide financial assistance to employees who are affected by natural disasters or calamities as allowed by government accounting/budgeting rules.

ARTICLE VIII
GRIEVANCE SETTLEMENT/MACHINERY AND LEGAL ASSISTANCE

Section 49. **Disciplining Authority**. The **MANAGEMENT** has the authority to take take disciplinary action on employees for just cause and upon the observance of due process. To promote prompt and fair resolution of administrative cases involving employees, **NEO** shall be represented in disciplinary committees involving employees covered by thie Agreement.

Section 50. **Grievance**. The **MANAGEMENT** shall have a Grievance Committee per Memorandum Circular 45, s. 1989 “Reinstallation of Grievance Machinery in All Government Offices” to promptly address and resolve the grievances of employees at the lowest level possible.

Section 51. **Legal Assistance**.The **MANAGEMENT** may provide legal service to an employee who is:

a) Sued by private individual or non-government entity, for acts committed arising from his/her duties and responsibilities; and
b) Required to appear in court on matters arising from or in the course of his/her employment and within the scope of his/her duties and responsibilities.

ARTICLE IX
WORK HOURS, COMPENSATION AND LEAVE BENEFITS

Section 52. **Work Schedule**. Pursuant to CSC Memorandum Circular No. 22, series of 2014, a Four-Day Work Week schedule between 8:00 am to 7:00 pm may be allowed subject to the exigency of the service and approval of the head of the office.

Section 53. **Compensatory Day / Time Off**. The MANAGEMENT shall implement offsetting of work rendered beyond official time by employees in accordance with joint CSC-DBM Circular No. 2, series of 2004.

Section 54. **Sickness**. In case of job-related sickness, the **MANAGEMENT** shall grant three (3) days additional sickness leave that will not be deducted from an employee's regular leave credits; provided that a certification from a physician confirms that the illness was acquired in the process of performing the employee's work; provided further, that the additional sickness leave shall be non-commutable, and shall be availed of by the employee only once a year.

Section 55. **Rehabilitation Leave for Job-Related Injuries.** Applications of officials and employees for leave of absence on account of wounds or injuries incurred in the performance of duty extending beyond the available leave credits of the employee concerned must be made on the prescribed form, supported by the proper medical certificate and evidence showing that the wounds or injuries were incurred in the performance of duty. The head of the department/agency concerned may direct that absence during any period of disability thus occasioned shall be on full pay, but not to exceed six (6) months. He shall also authorize the payment of medical attendance, necessary transportation, subsistence and hospital fees of the injured person. Absence in the case of contemplated shall not be charged against sick leave or vacation leave, if there are any. (MC No. 41 s.1999)

Section 56. **Special Leave Privileges.**The **MANAGEMENT** shall grant its employees, a maximum of 3 days of non-cumulative, non-commutable special leave privileges every year, to be used in any of the following:

a. Birthday;
b. Emergency, in case of earthquake, typhoon, flood, and other natural and/or manmade disasters or calamities, subject to certification from the proper authorities;
c. Enrolment;
d. Graduation;
e. Hospitalization for immediate family members;
f. Wedding and honeymoon;
g. Wedding anniversary;
h. Relocation subject to submission of a certification from the barangay;
i. Burial/mourning, in case of death of the spouse or any of the children, parents, brothers and sisters;
j. Government transactions;
k. Religious/spiritual pilgrimage;
l. Life milestones;
m. Paid witness; and
n. Domestic emergencies.

Section 57. **Vacation and Sick Leave**. The **MANAGEMENT** may allow employees to go on vacation leave, local or abroad, with pay subject to the standard availment procedure.

Section 56. **Calamity leave**. Pursuant to CSC Resolution 1200289 issued on Feb. 8, 2012, the **MANAGEMENT** shall grant a five-day special emergency leave to NEO members directly affected by natural disasters, specifically to those who are stranded in affected areas, suffering from disease or illness caused by natural calamity, taking care of immediate family members affected by natural calamity/or in need of urgent repair and clean-up of damaged houses.

Section 58. **Travel Insurance**. **NEO** members are required to shoulder payment for their individual travel insurance which will be deducted on a one-time basis only.

ARTICLE X
GENDER DEVELOPMENT AND FAMILY WELFARE

Section 60. **Gender Sensitivity Advocacy Program**. The **MANAGEMENT** shall implement gender sensitive programs for employees and shall support activities to be undertaken by **NEO**, in coordination with government and non-government agencies, to promote better understanding and awareness of gender issues among the employees.

In the utilization of the 5% GAD budget, the **MANAGEMENT** shall consider the proposed programs of **NEO** in the promotion of gender and development.

Section 61. **Safety for Pregnant Employees.** The **MANAGEMENT** shall not deploy, assign or relocate pregnant employees where such movement will be hazardous to the health and safety of the expecting mother and her fetus. Pregnant employees, especially those in their first and last trimester, may be given extra consideration in her request for detail to work assignments or stations, provided they are safer, more conducive to their productive health, and reasonable.

Section 62. **Maternity Protection Benefit**. The **MANAGEMENT** as provided by law shall grant pregnant female employees paid maternity leave of sixty calendar days. This shall also apply to cases of miscarriage.

Section 63. **Magna Carta for Women**. The **MANAGEMENT** as provided for by law, shall grant special leave benefit with pay pursuant to RA 9710 to women who undergo surgery due to gynecological disorder subject to the existing guidelines of the CSC.

Section 64. **Paternity Leave**. Seven (7) working days paid leave shall be granted to male employees whose legal wife has given birth or had a miscarriage to allow him to share responsibility for the care of the baby and/or to enable him to assist his legal wife recuperate from childbirth or miscarriage as provided by law.

Section 65. **Privilege for Solo Parents**. The MANAGEMENT shall provide seven (7) days leave with pay as mandated by R.A. No. 8972 and shall develop and maintain a database of employees who are considered solo parents as defined in R.A. 8972 and shall support **NEO** in making representations with the DSWD in facilitating the prompt release of their Solo Parent Identification Card.

Section 66. **Family Outreach Activities**. The **MANAGEMENT**, with the participation of **NEO**, shall develop family wellness-oriented activities, especially during summer and school breaks for the benefit of the employees' children and families.

ARTICLE XI
GOOD GOVERNANCE

Section 67. **Teamwork. NEO** shall be a partner of the **MANAGEMENT** in promoting teamwork and discipline to attain harmony, professionalism, productivity and efficiency. It shall enjoin all its members to render and perform to the best of their abilities the duties and responsibilities expected of them in accordance with existing laws, rules and regulations.

Section 68. **Transparency and Good Governance**. The MANAGEMENT and NEO share the values of good governance, honesty and transparency in the public service. Both parties shall play proactive roles in the creation of an NCCA Integrity Development Action Plan and in encouraging employees to work and live with integrity and uprightness and be intolerant of graft and corruption.

Section 69. **Reporting of Graft and Corruption and Dishonesty**. The **MANAGEMENT** and **NEO** encourage the reporting of abuse of authority, graft and corruption and other actions that impugns upon the good image of NCCA thru the Office of Executive Director. The Manual on the Disposition of Administrative Cases shall be revisited with the involvement of **NEO** thru the NMCC.

Section 70. **Observance of Office Rules and Regulations**. **NEO** shall cooperate in ensuring employee compliance with office rules and regulations, such as wearing the prescribed working attire, office attendance, decorum, and attendance to the Flag Ceremony.

ARTICLE XII
GENERATION OF FUNDS AND SAVINGS

Section 71. **Shared responsibility for Generation of Funds and Savings.** The **MANAGEMENT** and **NEO** recognize that as a public entity whose fund appropriation, allocation and utilization is governed by pertinent laws and regulations, the **MANAGEMENT** may source the CNA Incentive and other benefits *only* from unencumbered generation of savings, pursuant to OP AO 135, series of 2005 and DBM Budget Circular No. 2006-1. The generation of savings from the appropriations of the **MANAGEMENT** is not only the responsibility and concern of the management but of all its officers and employees, including members of **NEO**. All Members of **NEO**, must therefore cooperate in planning, monitoring and implementation of productivity improvement and cost-saving measures in the **NCCA**'s operations, without sacrificing the quality and extent of services to the public.

Section 72. **Cost-saving measures**. The following are ways by which the **MANAGEMENT** and **NEO** may collaborate to generate savings:

a) Every officer and employee of the **MANAGEMENT** shall continuously develop their skills and aim for peak performance at all times. This will not only reduce wastage due to error, but also enable offices to meet or exceed their targets without the need to hire additional people;
b) Every officer and employee of the **MANAGEMENT** shall, in the performance of their respective tasks, collaborate and continually identify areas for synergy to maximize impact as well as minimize cost of implementing programs and projects;
c) Every officer and employee of the **MANAGEMENT** shall judiciously utilize funds, supplies, equipment, other government properties and facilities;
d) Both parties, in their efforts to achieve the planned targets of the **MANAGEMENT**, shall institute process improvement and undertake cost-cutting measures so that the delivery of services can be made more efficient and to generate savings.

Section 73. **Use of Savings and Funds Generated**. Subject to pertinent guidelines, rules and policies from the OP, DBM, and PSLMC, savings generated shall be utilized as follows:

a) 20% to be reverted to the General Fund
b) 50% to be utilized for CNA Incentives
c) 30% for improvement of working conditions and other programs and/or to be added as part of the CNA Incentives, as may be agreed by the NMCC

ARTICLE XIII
ENTIRETY, MODIFICATION, AND IMPLEMENTATION CLAUSE

Section 74. **Printing and Distribution of Agreement.** The **MANAGEMENT** shall take charge of printing this Agreement, and **NEO** shall be in charge of distribution and dissemination of copies. The printing and distribution should be done not later than two weeks after approval and signing.

Section 75. **Formulation of Guidelines**. The guidelines which may be necessary to implement the non-executory provisions of this Agreement shall be formulated by the NMCC.

ARTICLE XIV
SAVING CLAUSE

Section 76. **Separability/Saving Clause**. If any provision of this Agreement is held contrary to the law by a competent authority, said provision or the application thereof will be deemed invalid, except to the extent permitted by law, but all other provisions or applications will continue to have force and effect. The parties will meet not later than fifteen [15] days after the said provision is declared invalid for the purpose of amending or revising the same.

ARTICLE XV
EFFECTIVITY CLAUSE

Section 76. **Effectivity.** The effectivity of this Agreement shall commence upon its signing and ratification by the majority of the members of the Collective Negotiating Unit. This Agreement shall remain in full force and effect for a period of three (3) years from its effectivity.

Section 77. **Re-negotiation**. Both parties agree to meet not later than sixty (60) calendar days prior to the expiration of this Agreement for the purpose of negotiating a new agreement between the parties. Provisions of this Agreement shall remain in full force and effect until a new collective negotiation agreement (CNA) shall have been concluded by the parties.

CERTIFICATION

IN WITNESS WHEREOF, the parties, by their authorized representatives, have hereunto signed this Agreement this ______________________, in Manila, Philippines.

National Commission for Culture and the Arts

By:

ADELINA M. SUEMITH
OIC-Executive Director

MARLENE RUTH S. SANCHEZ
Deputy Executive Director

MARICHU G. TELLANO
Chief- Policy, Planning, Formulation and Programming Division

SUSAN C. DAYAO
Chief Administrative Officer

HERENCIO Y. LLAPITAN
Head, NEFCA

JEREMY R. CHAN
OIC– Project Management and Evaluation Division

NCCA Employees Organization

By:

LAWRENCE EMIL C. GONZALES
President

CORINNAH ANNE C. OLAZO
Vice President Internal

JOSEPH PATRICK V. LEE
Vice President External