

Republic of the Philippines
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
East Service Road, South Superhighway, Taguig City

125th TESDA Board Meeting
10 November 2020, Tuesday, 9:00 a.m.
Teleconference via Zoom Platform

Resolution No. 2020-51
(Page 1 of 5 pages)

**APPROVING THE ASSESSMENT FEES FOR MACHINING NC I
IN THE METALS AND ENGINEERING SECTOR**

WHEREAS, paragraph 9, Section 8 of Republic Act No. 7796 or the Technical Education and Skills Development Act of 1994 empowers the TESDA Board to "exact reasonable fees and charges for such tests and training conducted and retain such earnings for its own use, subject to guidelines promulgated by the Authority";

WHEREAS, Administrative Order No. 31, Series of 2012, directs and authorizes all heads of departments, bureaus, commissions, agencies, offices and instrumentalities of the national government, including government-owned and/or controlled corporations (GOCCs), to rationalize the rates of their fees and charges, increase their existing rates and impose new fees and charges;

WHEREAS, the DOF – DBM – NEDA Joint Circular No. 1-2013 provides the Implementing Rules and Regulations of Administrative Order No. 31, Series of 2012, on the Rationalization of Rates of Fees and Charges, Increase in Existing Rates, and Imposition of New Fees and Charges;

WHEREAS, Section 5 of the DOF – DBM – NEDA Joint Circular No. 1-2013 states that the determination of the rates of fees and charges shall consider the direct costs of rendering the service based on current appropriation, which shall include the cost of supplies and materials, salaries and wages of personnel directly involved in the service, and the proportionate share in the expenses of the agency or department, including the depreciation costs of the equipment used;

WHEREAS, to implement the intent of the above-cited Joint Circular, the TESDA Secretariat through the Qualifications and Standards Office (QSO) initiated the review of the assessment fees and pursued a seven-step process, as follows:

1. Creation of TESDA's Task Force (TF) on the Review of Training Costs, Assessment Fees, and other Cost implemented by TESDA;
2. Orientation of the TESDA Task Force by the National Tax Research Center (NTRC);
3. Conduct of Assessment Fee Workshops with the Technical Experts;
4. Presentation of the Proposed Assessment Fees to the TF and NTRC;
5. Presentation of the Proposed Fees to TESDA Board Joint Standards-Setting and Systems Development and Finance Committees;
6. Conduct of Public Hearing(s) for the Proposed Assessment Fee(s); and
7. Approval and Promulgation of Assessment Fees by the TESDA Board for the nationwide implementation;

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AIRA MARICHELLE D. DE GUZMAN
Board Secretary VI
TESDA Board Secretariat

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WHEREAS, in determining the amount of assessment fees, the following Factors and Operational Guidelines were followed:

➤ **Factors:**

- **Direct Cost**
 - Salaries & wages of personnel involved in the delivery of service, including the assessor's fee
 - Supplies and Materials (consumable and reusable)
 - Utilities (e.g. electricity, water, gas)
 - Repair and maintenance
- **Indirect Cost**

The depreciation cost of tools and equipment, wherein the cost imputed is in the actual use of tools and equipment. (Note: This was already zeroed-in as this can become part of the tax deduction when the Assessment Centers file their respective Income Tax Returns).
- **Capital Outlay**
 - Rental of buildings
- **Assessment Process Workflow**
- **Plus 10% cost recovery**

➤ **Five Operational Principles:**

- Derive an equitable fee that is affordable to the candidate;
- Use less expensive supplies and materials or substitutes, if possible;
- Where applicable, do not charge the candidate for tools and equipment;
- Use average of regional costs; and
- Provide information as FACTS (factual, accurate, comprehensive, transparent, and systematic).

WHEREAS, a new direct cost item, which is "repair and maintenance" is now included. Repair and Maintenance (RM) costs are fixed allowances provided for repair of the machine and shelter, which are usually estimated at 10% of the initial cost. It is a fixed cost incurred regardless of whether the machine is operated or not (*Reference: Petingco, M, Amongo RM, et al. Fundamentals of Agricultural Engineering II – AENG 2 Manual, 2011*);

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Ally MARICHELE D. DE GUZMAN
Board Secretary VI
TESDA Board Secretariat

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WHEREAS, TESDA Board Resolution No. 2019-06 was issued approving and promulgating the Training Regulations for Machining NC I held on 11 January 2019 during the 107th TESDA Board Meeting;

WHEREAS, during the 48th TESDA Board's Joint Standard Setting and Systems Development and Finance Committees' Meeting held on 07 October 2020, the Members of the said Committees of the TESDA Board and the TESDA Secretariat deliberated on the experts' proposed assessment fees for the various qualifications and favorably endorsed the same for the consideration and approval of the TESDA Board;


WHEREAS, the technical computations of the assessment fees for Machining NC I are hereby appended as Annex "A" and shall form an integral part of this Resolution;

WHEREAS, pursuant to Administrative Order No. 31, Series of 2012, the National Tax Research Center (NTRC) has reviewed the computations of the abovementioned assessment fees for Machining NC I;

WHEREAS, the Members of the TESDA Board present during the 6th Joint Standards Setting and Systems Development and Finance Committees - TESDA Board-TESDA Secretariat Consultation Meeting held on 20 April 2016 agreed that the assessment fees shall be subject to review based on the following:

1. Indicators in the industry or in the economy that may have a significant impact on certain cost items which were included in the computation of the assessment fees such as but not limited to:
 - cost of electricity;
 - cost of rental; and
 - mandated minimum wages and others, if applicable.
2. The assessment fees shall be reviewed after two (2) years unless prior cost items indicated in the computation of the assessment fees will have a significant impact that might necessitate an earlier review;

WHEREAS, stakeholders' national consultation held virtually using zoom platform on 05 November 2020 to ensure that the proposed assessment fees for the various qualifications were properly disseminated and discussed with the stakeholders pursuant to the Implementing Rules and Regulations of Administrative Order No. 31, Series of 2012. The list of participants is hereby appended as Annex "B" of this Resolution to form an integral part hereof;


MARY MICHELLE D. DE GUTMAN
Board Secretary VI
TESDA Board Secretariat

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NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the TESDA Board in its meeting today, 10 November 2020, approves the assessment fees for Machining NC I, as follows:

- Full – One thousand one hundred and seventy-nine pesos (Php 1,179.00)
- COC 1 – Eight hundred and fifty-eight pesos (Php 858.00)
- COC 2 – Eight hundred and eighteen pesos (Php 818.00)
- COC 3 – Seven hundred pesos (Php 700.00)
- COC 4 – Seven hundred and eighty-two pesos (Php 782.00)

The respective assessment fees include PhP 234 assessor's fee (per candidate per qualification or COC) and the "repair and maintenance" cost, whenever applicable.

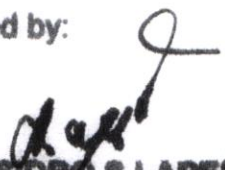
BE IT RESOLVED, FURTHER, that this Resolution shall be published in a newspaper of general circulation and disseminated to all concerned offices and the same shall be effective fifteen (15) days upon publication;

BE IT RESOLVED, FINALLY, that the TESDA Secretariat is directed to issue the appropriate Implementing Guidelines within thirty (30) days from the date of effectivity of this Board Resolution. All competency assessment under this Resolution must comply with the aforementioned fees and the Implementing Guidelines under penalty of suspension or revocation of accreditation as appropriate, after due process.

Adopted this 10th day of November 2020.


ATTY. MARICHELLE DE VERA-DE GUZMAN
Board Secretary VI

Attested by:


SEC. ISIDRO S. LAPENA, PhD, CSEE
Designated Chairperson, TESDA Board
Director General, TESDA

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Atty. MARICHELLE D. DE GUZMAN
Board Secretary VI
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(Original Signed)
USEC. RENATO L. EBARLE
Department of Labor and Employment

(Original Signed)
USEC. DIOSADADO M. SAN ANTONIO
Department of Education

(Original Signed)
USEC. BRENDA L. NAZARETH-MANZANO
Department of Science & Technology

(Original Signed)
MR. ISIDRO ANTONIO C. ASPER
Board Member, Labor Sector

(Original Signed)
MR. RENE LUIS M. TADLE
Board Member, Labor Sector

(Original Signed)
MR. RAMON R. DE LEON
Board Member, Labor Sector

(Original Signed)
MR. ROGELIO J. CHAVEZ, JR.
Board Member, Labor Sector

(Original Signed)
DR. LEONIDA BAYANI-ORTIZ
Board Member, Employer Sector

(Original Signed)
PROF. RANDOLPH I. NONATO
Board Member, Employer Sector

(Original Signed)
MS. MARY G. NG
Board Member, Business & Investment
Sector

(Original Signed)
MR. ARTURO M. MILAN
Board Member, Business & Investment
Sector

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Atty. MARICHELLE D. DE GUZMAN
Board Secretary VI
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