

Privatization and Management Office

**GUIDELINES/MECHANICS IN RANKING OFFICES/DELIVERY UNITS
FOR THE GRANT OF PERFORMANCE-BASED BONUS (PBB) FY 2019**

Legal Bases: 1) Administrative Order No. 25 (s. 2011); 2) Executive Order No. 80 (s. 2012); 3) Executive Order No. 201(s. 2016); and 4) AO No. 25 - Memorandum Circular No. 2019-1

1. ELIGIBILITY CRITERIA

1.1. Each agency must satisfy the following conditions to be eligible for the grant of PBB:

- a. Satisfy 100% of the Good Governance Conditions for FY 2019;
- b. Achieve each one of the Congress-approved performance targets for the delivery of Major Final Output (MFO) under the Performance Informed Budget of the FY 2019 General Appropriations Act, and the targets for Support to Operations (STO) and General Administration and Support Services (GASS); and
- c. Use the CSC-approved Strategic Performance management System (SPMS) in rating the performance of officials and employees.

2. FY 2018 GOOD GOVERNANCE CONDITIONS (GGCs)

2.1. Three GGCs based on the existing performance drivers of the Results-Based Performance Management System (RBPMS) and the thrusts of the Duterte Administration for transparency, accountability and people focused public service:

- a. Maintain/Update the Agency Transparency Seal;
- b. Maintain/Update the posting of all Invitation to Bid and awarded contracts in the Philippine Government Electronic Procurement System (PhilGEPS) for transactions from November 16, 2018 to November 15, 2019.
- c. Maintain/Update the Citizen's or Service Charter or its equivalent (Anti-Red Tape Act of 2007); and Self-assessment and reporting of improvements made by the agency to implement the CSC Memorandum Circular No. 14 s. 2016; and
- d. Develop the agency's Freedom of Information (FOI) Manual.

2.2. Agency Transparency Seal

The Agency Transparency Seal should contain the following documents:

- a. Agency's mandates and functions, names of its officials with their position and designation, and contact information;
- b. DBM-approved budget and corresponding targets for FY 2019;

- c. Budget and Financial Accountability Reports (BFARs)
- d. Projects, Programs and Activities, Beneficiaries, and Status of Implementation for FY 2019;
- e. FY 2019 Annual Procurement Plan (APP-nonCSE) and FY 2019 Annual Procurement Plan for Common-Use Supplies and Equipment (APP-CSE);
- f. QMS ISO Certification of at least one core process by any international certification body (ICB) accredited by an International Accreditation Forum (IAF), following through with the progress achieved in 2016;
- g. System of Ranking Delivery Units; and
- h. The (Freedom of Information) FOI Manual.

3. FY 2019 PERFORMANCE TARGETS

3.1. **MFO Targets.** All MFO indicators and targets in the FY 2019 Performance-Informed Budget approved by Congress shall be the basis for assessing eligibility for the PBB. Organizational performance in the achievement of MFO targets shall be closely monitored through the use of the quarterly agency accountability reports uploaded in the DBM Unified Reporting System (URS).

3.2. **STO Targets.** The common STO indicators and targets shall include the following:

- a. Certification/Continuing certification of the Quality Management System (QMS) for at least one core process. The certification must be issued by any international certification body (ICB) accredited by the Philippine Accreditation Board, Department of Trade and Industry, which is a member of the IAF and authorized to accredit ICBs. The certification must be valid until December 31, 2017 or later date .
- b. If the agency is not yet ISO certified, it should have at least an ISO-aligned documentation for at least one (1) core process, to include the following :
 - a.1. Approved Quality Manual and approved Procedures and Work Instructions Manual, including Forms; and
 - a.2. Evidence of ISO 901-aligned QMS implementation, i.e. (1) Certification of the Head of the Agency on the conduct of Internal Quality Audit; and (2) Minutes of the FY 2019 Management Review.
- c. The second STO target is identified in accordance with the priority of the Agency Head.

3.3. **GASSTARGETS.** The common GASS targets shall include the following:

- a. Budget Utilization Rate (BUR) which shall consist of: (1) Obligation BUR; and (2) Disbursement BUR;
- b. Quarterly submission of Budget and Financial Accountability Reports (BFARs) online using DBM's Unified Reporting System 30 days after end of each quarter; and
- c. The Agency shall have fully complied with at least 30% of the prior years' audit recommendations, as shown in the Report on Status of Implementation of Prior Years' Recommendations of the Annual Audit Report (AAR).

3.4. In case the Agency is assessed to have deficiencies in meeting its performance commitments, the Head of the Agency may request for re-evaluation of their compliance status and submit the justification/s to warrant a reconsideration of the initial assessment results. For the purpose of re-evaluation, justifiable reasons are factors that are considered outside of the control of the agency.

4. ELIGIBILITY OF INDIVIDUALS

4.1. The Head of the Agency is eligible only if his/her agency is eligible. If eligible, their PBB rate for FY 2019 shall be equivalent to 65% of their monthly basic salary. He/She shall not be included in the Form 1.0 - Report on Ranking of Delivery Units.

4.2. Employees belonging to the First, Second and Third Levels should receive a rating of at least "Satisfactory" based on the agency's CSC approved Strategic Performance Management System (SPMS), for an uninterrupted period of at least three (3) months.

4.3. Personnel on detail to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from the mother agency.

4.4. Personnel who transferred from one government agency to another agency shall be rated and ranked by the agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the recipient agency.

4.5. An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least "Satisfactory" rating may be eligible the full grant of the PBB.

4.6. An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least Satisfactory rating shall be eligible to the grant of PBB on a pro -rat a basis corresponding to the actual length of service rendered, as follows:

Length of Service	% of PBB Rate
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

The following are the valid reasons for an employee who may not meet the nine-month actual service requirement to be considered for PBB on a pro-rate basis: (a) Being a newly hired employees; (b) Retirement; (c) Resignation; (d) Rehabilitation leave; (e) Maternity Leave and/or Paternity Leave; (f) Vacation or Sick Leave with or without pay; (g) Scholarship/Study Leave; and (h) Sabbatical Leave.

- 4.7. An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible to the grant of the PBB.
- 4.8. Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2019 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 4.9. Officials and employees who failed to submit the 2018 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015, shall not be entitled to the FY 2019 PBB.
- 4.10. Officials and employees who failed to liquidate all cash advances received in FY 2019 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997 and reiterated in COA Circular 2009-002 dated May 18, 2009, shall not be entitled to the FY 2019 PBB.
- 4.11. Officials and employees responsible for submitting COA Annual Financial Reports and Statements to include Financial Statements (FSs), Annual Financial Reports and Annual Audit Reports (AARs), shall not be entitled to the FY 2019 PBB if the Agency fails to comply with the said reporting requirements as prescribed in COA Resolution 2014-003 dated January 14, 2014 and COA Circular 2015-002 dated March 9, 2015.
- 4.12. The Head of Procuring Entity (HOPE), Chairman and Secretariat of the Bids and Awards Committee (BAC) shall not be entitled to the FY 2019 PBB if the Agency fails to submit the following: (1) FY 2019 APP-non CSE to Government Procurement Policy Board (GPPB) not later than one month after the issuance of Memorandum Circular No. 2017-1; (2) FY 2019 APP-CSE to the DBM Procurement Service on or before November 30, 2019; and (3) Results of FY 2018 Agency Procurement Compliance and Performance Indicators (APCPI) System, per GPPB Resolution No. 10-2012, complete with the following forms: (a) APCPI-Self - Assessment Form; (b) APCPI-Consolidated Procurement Monitoring Report; and (c) APCPI-Procurement Capacity Development Action Plan; and the Questionnaire on or before March 1, 2019.
- 4.13. Officials and employees responsible for the non-compliance of prior years' audit recommendations shall not be entitled to the FY 2019 PBB.
- 4.14. Officials and employees responsible for the QMS certification or alignment shall not be entitled to the FY 2019 PBB if the Agency fails to comply with the said requirement.
- 4.15. Officials and employees responsible for posting and dissemination of the Agency system of ranking performance of delivery units shall not be entitled to FY 2019 PBB if the Agency fails to comply.

5. RANKING OF DELIVERY UNITS

5.1. . Agencies and their corresponding offices/delivery units that meet the criteria and conditions under item no. 1 are eligible to the FY 2019 PBB. Delivery units eligible to the PBB shall be forced rand according to the following categories:

Ranking	Performance Category
Top 10%	Best Delivery Unit
Next 25%	Better Delivery Unit
Next 65%	Good Delivery Unit

5.2. When identifying and determining delivery units, Agencies must be guided by the Master list of Departments/Agencies and prescribed delivery units per Department/Agency (Annex 1, AO 25 MC No. 2017-1).

5.3. To facilitate the ranking of delivery units, agencies may group of cluster the delivery units based on similarities of tasks and responsibilities for purposes of evaluating and ranking group and individual performance.

5.4. Only personnel belonging to eligible delivery units are qualified for the PBB. Individual ranking shall no longer be included in the Form 1.0 - Report on Ranking of Delivery Units.

6. RATES OF FY 2019 PBB

6.1. The rates of the PBB for each individual shall be based on the performance ranking of the individual's delivery unit with the rate of incentive as a multiple of one's monthly basic salary based on the table below:

Performance Category	PBB as % of Monthly Basic Salary
Best Delivery Unit (10%)	65%
Better Delivery Unit (25%)	57.5%
Good Delivery Unit (65%)	50%

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Date: Sept. 30, 2019

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Date: Sept. 30, 2019 *gp*