

OFFICE ORDER

No. 2017-174
July 27, 2017

SUBJECT : Internal Guidelines on the Grant of the CY 2017 Performance-Based Bonus (PBB) including the Process and Criteria on Ranking Eligible of Eligible GPPB-TSO Delivery Units (DUs)

1.0 PURPOSE

In the interest of the service and pursuant to Memorandum Circular (M.C.) No. 2017-11, issued by the inter-Agency Task Force (IATF) on AO 25, the guidelines for the grant of the Performance-Based Bonus (PBB) for CY 2017 are hereby issued for the following purposes:

- 1.1 To inform and guide all DUs on the eligibility requirements for the grant of the CY 2017 PBB;
- 1.2 To adopt a uniform criteria on rating and ranking of DUs and rating of its officials and employees;
- 1.3 To inform and guide officials and employees on the rating and ranking process of delivery units;
- 1.4 To identify the following:
 - 1.4.1 The respective roles/responsible of each DUs to be entitled to the CY 2017 PBB;
 - 1.4.2 The key Offices/units and their roles and responsibilities in the implementation of the CY 2017 PBB;
- 1.5 To clearly set deadlines for the submission of the PBB requirements.

2.0 COVERAGE

- 2.1 All GPPB-TSO Delivery Units; thus:
 - 2.1.1 Legal and Research Division (LRD);
 - 2.1.2 Secretariat Division (SD);
 - 2.1.3 Performance Monitoring Division (PMD);
 - 2.1.4 Capacity Development Division (CDD);
 - 2.1.5 Information Management Division (IMD); and
 - 2.1.6 Administrative and Finance Division.
- 2.2 All officials and employees of eligible Delivery Units holding regular plantilla positions; including co-terminus and temporary personnel; contractual and

¹ Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2017 under EO No. 80 and EO No. 201 s. 2016 dated 9 March 2017

casual personnel, if any, of the GPPB-TSO, and whose compensation is charged to the lump-sum appropriation under Personnel Services.

- 2.3 Eligible employees under the Office of the Executive Director holding non-supervisory positions shall be included to the Delivery Unit where he/she directly contributed, or based on the classification of his/her position in the Index of Occupational Services issued by DBM.

3.0 ELIGIBILITY REQUIREMENTS FOR THE GRANT OF PBB

Consistent with Item 4.0 of the AO 25 IATF MC 2017-1 the following requirements/conditions must be satisfied to be eligible for the grant of CY 2017 PBB:

- 3.1 Achieve performance targets under the following commitments:

- 3.1.1 **Major Final Output (MFOs)**

Achieve each one of the Congress-approved performance targets for the delivery of MFOs under the Performance-Informed Budget (PIB) of the CY 2017 General Appropriations Act (GAA). Organizational performance in the achievement of MFO targets shall be closely monitored through the use of the quarterly accountability reports uploaded in the DBM Unified Reporting System (URS) to indicate the progress towards the accomplishment of broader sectoral and societal outcomes targeted by the agency for improving the lives of Filipinos.

- 3.1.2 Common **Support to Operations (STO)** targets as follows:

- 3.1.2.1 At least an ISO-aligned documentation of its QMS for at least one (1) core process to include the following:

- a. Approved Quality Manual and Approved Procedures and Work Instructions Manual including Forms; and

- b. Evidence of ISO 9001-aligned QMS implementation:

- (1) Certification of the Head of the Agency on the conduct of Internal Quality Audit; and

- (2) Minutes of the CY 2017 Management Review.

- 3.1.2.2 The second STO target identified in accordance with the priorities of the Executive Director.

- 3.1.3 Common **General Administration and Support Services (GASS)** targets:

- 3.1.3.1 Budget Utilization Rate (BUR);

- a. Obligations BUR computed as obligations against all allotments still effective in CY 2017, both continuing and current year from all appropriation sources, including those released under the 'GAA as the allotment order' policy for maintenance and other operating expenses (MOOE) and capital outlays (CO) in CY 2017; and

- b. Disbursement BUR measured by the ratio of total disbursement (cash and non-cash, excluding Personnel Services) to total obligations for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) in CY 2017.
 - 3.1.3.2 Budget Financial Accountability Report (BFARs) as provided in COA-DBM-DOF Joint Circular No. 2014-1²:
 - a. Quarterly submission of BFARs online using the DBM's URS 30 days after end of each quarter, and uploading of the same in the DBM Transparency Seal.
 - 3.1.3.3 The GPPB-TSO 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). The objective of the requirement is to improve the internal control processes, operate effectiveness, and eliminate most, if not all, of these audit findings concerned by providing resolution and remedy on the same by the end of 2019.
 - 3.1.3.4 Complete and timely submission of Public Financial Management (PFM) reporting requirements of COA and DBM; thus:
- 3.2 Satisfy 100% of the **Good Governance Conditions (GGC)** set for CY 2017 by the AO 25 IATF based on the existing performance drivers of the Results-Based Performance Management System (RBPMS) and thrusts of the Duterte Administration for transparency, accountability and people-focused public service, as follows:
 - 3.2.1 Maintain/Update Agency Transparency Seal (TS) in accordance with Section 93 of RA 10924 (CY 2017 GAA), and as provided in Annex 7 (Guidelines on Transparency Seal) of AO 25 IATF MC No. 2017-1;;
 - 3.2.1.1 GPPB-TSO mandates, vision, mission and names of officials with their position and designation, and contact information;
 - 3.2.1.2 Annual Financial Reports (whole year/as of December end of the year 4th Quarter. Incomplete or non-cumulative will not be counted);
 - 3.2.1.3 GPPB-TSO approved budget and corresponding targets for CY 2017;
 - 3.2.1.4 CY 2017 Projects, Programs and Activities, Beneficiaries and Status of Implementation in CY 2017 (indicate if not applicable; otherwise, a zero rating will be given);
 - 3.2.1.5 CY 2017 Annual Procurement Plan (APP) and CY 2018 APP-CSE;

² Guidelines Prescribing the Use of Modified Formats of the Budget Financial Accountability Reports (BFARs) dated 2 July 2014

- 3.2.1.6 QMS ISO-aligned documentation for at least one (1) core process;
 - 3.2.1.7 The Freedom of Information (FOI) Manual, to be uploaded on or before October 1,2017; and
 - 3.2.1.8 System of rating and ranking DUs, to be posted and disseminated to employees not later than October 1. 2017.
- 3.2.2 Maintain/Update the posting of all Invitations to Bids and awarded contracts in the PhilGEPS pursuant to the Revised Implementing Rules and Regulations (IRR) of RA 9184(Government Procurement Reform Act) for transactions from November 16, 2016 to November 15, 2017 on or before 1 December 2017.
- 3.2.2.1 In case the GPPB-TSO fails to update/post the required documents³ for transactions above One Million (P1,000,000) in the PhilGEPS due to factors that are beyond the control of the agency, the GPPB-TSO through its BAC/BAC Secretariat, should inform the PhilGEPS and submit a letter of explanation⁴.
- 3.2.3 Maintain/Update Service Charter.
- 3.2.3.1 Submission of Certificate of Compliance (COC) to the CSC indicating compliance with the posting requirements of Service Charter not later than 1 June 2017 using the template provided in Annex B of CSC MC No. 14⁵ s. 2017.
 - 3.2.3.2 In case after CSC validation, the GPPB-TSO was identified with deficiencies, the responsible unit shall prepare the necessary COC after Validation (COCV) to rectify the deficiencies noted.
- 3.2.4 Develop the Freedom of Information (FOI) Manual, pursuant to requirements and provision of EO No. 2⁶ s. 2016, to be uploaded in the Transparency Seal on or before October 1, 2017, for validation by the PCOO.
- 3.3 Use of CSC-approved Strategic Performance Management System (SPMS) in rating First and Second Level officials and employees, including officials holding Executive Managerial and Director positions but are not presidential appointees.
- 3.4 Other requirements for submission:
- 3.4.1 CY 2017 Agency Performance Compliance and Performance Indicators (APCPI) System should be submitted on or before March 31, 2017;
 - 3.4.2 Report on Ageing of Cash Advance should be submitted to the Commission on Audit (COA), with cut-off date of November 15, 2017, on or before November 30, 2017;

³ BAC Resolution, Notices of Award/Bid Results, Actual Approved/Awarded Contracts and Notices to Proceed/Purchase Orders

⁴ Sample format of letter provided under Annex 6 of AO IATF MC No, 2017-1

⁵ Validation Guidelines on Citizen's Charter Compliance for the 2017 PBB

⁶ Operationalizing in the Executive Branch the People's Constitutional Right to Information and the State Policies to Full Public Disclosure and Transparency in the Public Service and Providing Guidelines Therefor

- 3.4.3 Annual Financial Reports and Statements should be submitted to COA on or before the prescribed period;

4.0 ELIGIBILITY CRITERIA FOR DUs and GPPB-TSO OFFICIALS AND EMPLOYEES

Eligibility of DUs

- 4.1 DUs that meet the applicable requirements and conditions under 3.0 of this Office Order are eligible for the grant of CY 2017 PBB. Unless otherwise specified by the IATF.

Eligibility of Individuals

- 4.2 The Eligibility of the Executive Director V, as Head of the Agency, will depend on the eligibility and performance of the GPPB-TSO. His PPB shall be equivalent to 65% of his monthly basic salary. He shall not be included in the ranking and rating of DUs but will be provided a separate line under Form 1.0.
- 4.3 Employees belonging to the first and second level positions should receive a rating of at least "Satisfactory" based on the DBM's CSC approved SPMS.
- 4.4 Eligible first and second level employees shall be rated on the basis of the following criteria and percentage score weights:

Criteria/Bases	Percentage Share
Employee's performance as reflected in the Individual Performance Accomplishment Report (IPAR)	80%
Behavioral-related performance*	20%
Total Score	100%

* Behavioural-related performance:

Behavioural Factors	
<i>Supervisors</i>	<i>Non-Supervisors</i>
<p>COMMUNICATION SKILL</p> <p>Ability to effectively express thoughts, ideas and instructions verbally and in writing.</p>	<p>ATTITUDE</p> <p>The interest and enthusiasm towards work and regard for office policies and superiors as reflected by one's conduct and behavior.</p>
<p>MANAGERIAL SKILL</p> <p>Ability to organize and plan work through delegation, scheduling, follow-up and control of job activities</p>	<p>DEPENDABILITY</p> <p>The trust and confidence placed on the employee to carry out assigned tasks with minimum instructions.</p>
<p>DECISIVENESS</p> <p>The ability to consider and analyze all facts as well as the pros and cons of situations before making decisions. Decides quickly and accurately under pressure.</p>	<p>INITIATIVE</p> <p>Introducing course of action to get the work done without the need for directions and the ability to device new methods and procedures to improve work.</p>

Behavioural Factors	
<i>Supervisors</i>	<i>Non-Supervisors</i>
<p>PROFESSIONAL ETHICS</p> <p>Adherence to highest standards of personal conduct in the discharge and execution of official functions and related duties. Enjoys the high regard of people at all levels.</p>	<p>PROFESSIONAL ETHICS</p> <p>Adherence to highest standards of personal conduct in the discharge and execution of official functions and related duties. Enjoys the high regard of people at all levels.</p>
<p>PUNCTUALITY AND ATTENDANCE</p> <p>Reporting for work on time and regularly and making optimum use of working hours. Observance of CSC office rules on punctuality and attendance.</p>	<p>PUNCTUALITY AND ATTENDANCE</p> <p>Reporting for work on time and regularly and making optimum use of working hours. Observance of CSC office rules on punctuality and attendance.</p>

- 4.5 Officials performing managerial and executive functions but who are not presidential appointees should receive a rating of at least "Satisfactory" based on the SPMS.
- 4.6 An official or employee should have rendered a minimum of nine (9) months government service during FY 2017 and with at least "Satisfactory" ratings in both rating periods.
- 4.7 An official or employee who rendered less than nine (9) months of service but a minimum of three (3) months of service and with at least "Satisfactory" rating(s), shall be eligible for the grant of PBB on a pro-rata 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%

- 4.7.1 An employee who will not meet the nine-month actual service requirement in view of the following reasons may be considered eligible for the CY 2017 PBB on a pro-rata basis:
- 4.7.1.1 Being a newly hired employee;
 - 4.7.1.2 Retirement;
 - 4.7.1.3 Resignation;
 - 4.7.1.4 Rehabilitation Leave;
 - 4.7.1.5 Maternity Leave and/or Paternity Leave;
 - 4.7.1.6 Vacation or Sick Leave with or without pay;
 - 4.7.1.7 Scholarship/Study Leave;
 - 4.7.1.8 Sabbatical Leave.
- 4.8 Personnel who transferred from one government agency to another shall be rated, ranked and paid by the agency where he/she served the longest. If

equal months were served for each agency, he/she will be included in rating of the recipient agency.

- 4.9 Only eligible personnel belonging to eligible DUs are qualified for the PBB. The PBB rates of individual employees (which shall be multiplied to his/her basic salary) shall depend on performance ranking of the B/SO or DU where they belong.

Individuals NOT Eligible for the FY 2017 PBB

- 4.10 An official/employee who is on vacation or sick leave, with or without pay, for the entire year.
- 4.11 An official/employee found guilty of administrative and/or criminal case filed against him/her and meted penalty in CY 2017 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.
- 4.12 Officials and employees who failed to submit their FY 2016 Statement of Assets, Liabilities, and Net worth (SALN) prescribed under CSC M.C. No. 3, series of 2015.
- 4.13 Officials and employees who failed to liquidate Cash Advances received in CY 2017 within the required reglementary period as required by COA shall not be entitled to the CY 2017 PBB shall not be entitled to the CY 2017 PBB.
- 4.14 Officials and employees who failed to submit their complete SPMS Forms to the Human Resource Unit shall not be entitled to the CY 2017 PBB (i.e. DPCR/DPAR and IPCR/IPAR).
- 4.15 Those responsible officials/employees who failed to ensure Compliance to PBB requirements:
 - 4.15.1 Officials and employees responsible for submitting COA required Annual Financial Reports and Statements to include Financial Statements (FS), Annual Financial Reports and Annual Audit Reports (AARs), who failed to comply with the said reporting requirements as prescribed in COA Resolution 2014003⁷ 10 and COA Circular 2015-002⁸.
 - 4.15.2 The Head of Procuring Entity (HOPE), Chairman and Secretariat of the Bids and Awards Committee (BAC) that failed to submit the following in accordance with the prescribed guidelines/policy covering each:
 - a. CY 2017 APP on the prescribed deadline/period, format and requirements;
 - b. CY 2018 APP-CSE to the DBM-Procurement Service on the prescribed deadline/period, format and requirements; and
 - c. Results of the CY 2016 APCPI on the prescribed deadline/period, format and requirements.

⁷ Adoption of the Philippine Public Sector Accounting Standards, dated 24 January 2014

⁸ Supplementary guidelines on the preparation of financial statements and other financial reports, the transitional provisions on the implementation of the Philippines Public Sector Accounting Standards, and coding system, dated 9 March 2015

- 4.15.3 Officials and employees responsible for the non-compliance on prior years' audit recommendations;
 - 4.15.4 Officials and employees responsible for the QMS certification or alignment.
 - 4.15.5 Officials and employees responsible for posting and dissemination of the GPPB-TSO system of ranking performance of delivery units.
- 4.16 The following are emphasized:
- 4.16.1 Non-compliance with all the Good Governance Conditions will render the entire GPPB-TSO ineligible for the PBB FY 2017. Assessment of compliance with the GGCs requirements shall be conducted starting 1 October 2017;
 - 4.16.2 Failure of the responsible DU to satisfy the set conditions and targets shall entail **exclusion/isolation from the PBB ranking**, and non-eligibility of its officials and staff to the PBB grant.
 - 4.16.3 In case the GPPB-TSO is assessed to have deficiencies in meeting its performance commitment, the Executive Director may request for reevaluation of the GPPB-TSO's compliance status and submit the justifications to warrant a reconsideration of the initial assessment results. For the purpose of re-evaluation, justifiable reasons are those factors or issues which are considered outside the control of the agency.
 - 4.16.4 AO 25 IATF set Timelines for the Departments/Agencies compliance is attached as Annex A.

5.0 RATING AND RANKING OF ELIGIBLE DELIVERY UNITS

5.1 Eligible DUs shall be forced ranked, as follows:

Percentage Ranking Distribution	Performance Category of the DUs	PBB Grant as % of Monthly Basic Salary
Top 10%	Best Delivery Unit	65.00%
Next 25%	Better Delivery Unit(s)	57.50%
Next 65%	Good Delivery Unit(s)	50.00%

Based on the IATF prescribed ranking distribution and the number of DUs, the GPPB-TSO shall have the following number of entitled DUs per Performance Category:

Percentage Ranking Distribution	Performance Category of the DUs	No. of entitled DUs
Top 10%	Best Delivery Unit	1
Next 25%	Better Delivery Unit(s)	2
Next 65%	Good Delivery Unit(s)	3

5.2 Delivery Units shall be rated and ranked using the following criteria and percentage score weights:

Criteria/Bases	Percentage Share
Average accomplishment rating of Delivery Unit's targets	50%
Aggregate rating of Individual employees in the Delivery Unit (Average)	40%
Other Factors	10%
Total Score	100%

5.2.1 **Average accomplishment rating of Delivery Unit's targets.** Pertains to the actual performance of the Delivery Unit in terms of accomplishing its Success Indicators for the two (2) succeeding semesters.

5.2.2 **Aggregate rating of Individual employees in the Delivery Unit (Average).** Pertains to the collective score of individual employees in a Delivery Unit. Albeit individual employee's performances/contributions across various Delivery Units, her/his rating shall be considered in the Delivery Unit where she/he belongs/designated on the time of the grant of PBB. This mechanism aligns the incentives that come with the work performance ratings of the employees despite working cross-functionally.

Illustration:

Division A	Rating	
	Numerical	Adjectival
Employee 1	4	Very Satisfactory
Employee 2	5	Outstanding
Employee 3	3	Satisfactory
Employee 4	4	Very Satisfactory
Employee 5	4	Very Satisfactory
No. of Employees= 5		
Aggregate Rating in a Delivery Unit	20/5 = 4	Very Satisfactory

5.2.3 **Other Factors.** The GPPB-TSO Executive Director shall rate each Delivery Unit using the following criteria:

Thoroughness of Work	The Level of Research and Studies involved in the tasks; Conscientiousness exercised; and Completeness of the outputs of the Delivery Unit.
Accountability for Results	The Level of Accountability required in the tasks; and display of sense of responsibility and answerability for the outputs of the Delivery Unit.
Responsiveness	The Level of Compliance in terms of prescribed timeline and deadlines involved in the tasks or outputs of the Delivery Unit.

6.0 FY 2016 PBB RATES

6.1 There shall no longer be a ranking of individuals within the Delivery Unit.

6.2 The PBB Rates of individual employees shall depend on the performance ranking of the delivery unit where they belong or designated, based on the individual's monthly basic salary as of December 31, 2017:

Performance Category	PBB as % of Monthly Basic Salary
Best	65%
Better	57.5%
Good	50%

6.3 The PBB Rate of the Deputy Executive Director shall be based on the highest ranking garnered by any of the Delivery Unit under her/his supervision.

7.0 RESPONSIBILITIES OF CONCERNED DELIVERY UNIT AND PERSONNEL

7.1 Delivery Units

7.1.1 Seven (7) days after the end of the performance period, the Delivery Units shall submit to the Performance Monitoring Team (PMT) their accomplishments using the Division Performance Accomplishment Report DPAR and the Individual Accomplishment Report (IPAR).

7.1.2 Timely submission of all reportorial requirements shall be part of the performance commitment of each delivery unit. The submission of the reports shall be subject to performance monitoring and evaluation using the prescribed Success Indicator (SI) and performance dimension, as follows:

RATING MATRIX					
Action	5	4	3	2	1
Timely submission of all reportorial requirements	Required report submitted 3 working days after the deadline	Required report submitted 1-2 working days before the deadline	Required report submitted on the deadline	Required report submitted 1-2 working days after the deadline	Required report submitted 3 working days after the deadline

7.2 Administrative and Finance Division (AFD)

7.2.1 The AFD shall coordinate and monitor the Office's compliance with the AO 25 requirements, including but not limited to the preparation of the required PBB Reports/Forms, based on the data provided by the delivery units.

7.2.2 The HR Unit shall consolidate and prepare report on the ranking of Delivery Units for submission to DBM and the IATF.

7.3 Performance Management Team (PMT)

- 7.3.1 The PMT shall evaluate and assess the PBB Reports and present it to the Executive Director for approval. Upon approval, the Report shall be submitted to the IATF through the A.O 25 Secretariat.
- 7.3.2 The PMT shall lead the efforts on the development and implementation of the internal communication strategy on PBIS.
- 7.3.3 The PMT shall act as Appeals Body and Arbiter for PBB matters.
- 7.3.4 The PMT shall oversee the implementation of these Guidelines and issue necessary rules, regulation, policies and directives, consistent with the IATF guidelines.
- 7.3.5 The PMT or its authorized/identified representatives shall endorse and submit all authorized PBB-related documents to the IATF.

8.0 APPEALS

All Appeals relative to the implementation of the Office's FY 2017 Grant of PBB shall be acted upon pursuant to Item 9.0 of the SPMS Guidelines under Department Order No. 2016-12 dated 15 June 2016.

9.0 TIMELINE FOR IMPLEMENTATION

The timeline for the FY 2017 PBB Implementation is attached as **Annex "A"**.

10.0 EFFECTIVITY

This Office Order shall take effect immediately.


DENNIS S. SANTIAGO
Executive Director V

TIMELINES FOR IMPLEMENTATION

Activity/ Requirements	Deadline	DUs/Individual Concerned
a. Submission of BFARs, 4 th Quarter (previous year) thru online URS	On or before 31 January 2017	• AFD (Budget & Accounting Units)
b. Submission of CY 2017 APP approved by HOPE	Within one month after the issuance of MC 2017-1 (9 April 2017)	• BAC/BAC Secretariat
c. Submission of FY 2015 Financial Reports d. Submission of CY 2016 APCPI Self-Assessment Results	On or before 31 March 2017	• AFD (Accounting Unit) • BAC/BAC Secretariat
e. Submission of BFARs, 1 st Quarter thru online URS f. Submission of SALN	On or before 30 April 2017	• AFD (Budget & Accounting Units) • AFD (HR Unit)
Submission of BFARs, 2 nd Quarter thru online URS	On or before 31 July 2017	• AFD (Budget & Accounting Units)
g. Validation OF Transparency Seal Compliance h. Validation of Citizen's Charter Compliance i. Validation of FOI Manual j. Posting of Agency System of Ranking DUs	1 October 2017	• IMD/ DUs/Individual concerned with data/reports to be posted
k. Submission of BFARs, 3 rd Quarter thru online URS	On or before 31 October 2017	• AFD (Budget & Accounting Units)
l. Submission of CY 2018 APP- CSE	On or before 30 November 2017	• BAC/BAC Secretariat
m. Submission of Report on Ageing of Cash Advance Liquidation (cut-off: 15 Nov. 2017) n. Submission of letter of explanation/justification if unable to post in PhilGEPs (for transactions above 1M w/ 30 Nov. 2017 as cut-off)	On or before December 1, 2017	• AFD (Accounting Unit) • BAC/BAC Secretariat
o. Posting of QMS aligned documentation to TS	On or before 31 December 2017	• IMD/ DUs/Individual concerned with data/reports to be posted • AFD (Accounting Unit)
p. Submission of report on compliance with 30% of the audit recommendations as shown in the Status of Implementation of Prior Year's Recommendation in the AAR q. Submission of report on all improvements made by agency to implement CSC MC No. 14 s. 2017		
r. Submission of physical accomplishments using Forms A, A1 and Form 1.o (w. 31 Dec. 2017 as cut-off) s. Validation of QMS Certification t. Validating of STO indicator as identified by Executive Director u. Submission of BFARs, 4 th Quarter thru online URS	On or before 31 January 2018	• AFD (Planning & HR Units) • IQA Team • AFD (Budget & Accounting Units)