

PRIVATIZATION AND MANAGEMENT OFFICE
Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2016
(System of Ranking Delivery Units)

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

1. ELIGIBILITY CRITERIA

1.1 The agency shall satisfy the following conditions:

- a. Achieve agency performance targets under Major Final Outputs (MFOs);
- b. Satisfy 100% of the Good Governance Conditions set for CY 2016; and
- c. Use the CSC-approved Strategic Performance Management System (SPMS) in rating the performance of officials and employees.

2. FY 2016 PERFORMANCE TARGETS

2.1 The MFO indicators and targets in the CY 2016 PIB approved by Congress shall be the basis for assessing eligibility for the PBB.

2.2 In addition to the MFO indicators and STO targets in the CY 2016 PIB, the agency shall also accomplish the following:

- a. STO target identified in accordance with the priority of the Agency Head; and
- b. Establishment of a Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the AO 25 IATF or ISO-aligned documentation of its QMS for one core process.

2.3 The GASS targets shall be as follows:

- a. Budget Utilization Rate (BUR);
- b. Compliance to Public Financial Management (PFM) reporting requirements of the Commission on audit (COA) and the Department of Budget and Management (DBM);
- c. Adoption and use of the CY 2015 Agency Procurement Compliance and Performance Indicators (APCPI) System; and
- d. Submission of the Annual Procurement Plan (APP) for CY 2016.

2.4 In case the agency is assessed to have deficiencies in meeting its performance commitments, the Head of Agency may request for re-evaluation of 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.

3. GOOD GOVERNANCE CONDITIONS (GGCs)

3.1 Three good governance conditions based on the Results-based Performance Management System (RBPMS):

- a. Maintain/Update the Agency Transparency Seal;
- b. Maintain/Update the PhilGEPS posting; and
- c. Maintain/Update the Citizen's or Service Charter or its equivalent.

3.2 Agency Transparency Seal page should be accessible by clicking on the TS logo on the Home page. 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 CY 2016;

- c. Budget and Financial Accountability Reports;
- d. CY 2016 Major Programs and Projects categorized in accordance with the Five Key Result Areas under EO No. 43;
- e. CY 2016 APP;
- f. QMS ISO Certification for at least one core process by any international certifying body approved by the IATF or ISO-aligned QMS documents; and
- g. System of Ranking Delivery Units.

4. ELIGIBILITY OF INDIVIDUALS

4.1 The eligibility of the Head of Agency will depend on the eligibility and performance of the agency. Their PBB shall be based on the monthly basic salary (MBS) as of December 31, 2016, as follows:

| Performance of Eligible Agency | PBB as % of MBS |
|---|-----------------|
| Agency achieved all GGCs, and its physical targets in all MFOs, STO and GASS indicators | 65% |
| Agency achieved all GGCs, and has deficiency/ies in some of its physical target/s due to uncontrollable reasons | 57.5% |
| Agency achieved all GGCs, and has deficiency in one of its physical target/s due to controllable reasons | 50% |

Note: Head of Agency shall not be included in the ranking and reporting of delivery units but will be provided a separate line under Form 1.0.

- 4.2 Officials performing managerial and executive functions who are not presidential appointees are covered by the agency's CSC-approved SPMS and should receive a rating of at least "Satisfactory".
- 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 PBB shall come from the parent agency.
- 4.4 Personnel who transferred from one government agency to another 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 in FY 2016 and with at least Satisfactory rating may be eligible to 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-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% |

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 in CY 2016 by formal and executory judgment 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 2015 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s. 2015), shall not be entitled to the FY 2016 PBB.
- 4.10 Officials and employees who failed to liquidate within the reglementary period the Cash Advances received in FY 2016 as required by the COA shall not be entitled to the FY 2016 PBB.
- 4.11 Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2016 PBB.

5. RANKING OF DELIVERY UNITS

5.1 Delivery units that meet the criteria and conditions under item 1 - Eligibility Criteria are eligible to the CY 2016 PBB. Delivery units eligible to the PBB shall be forced ranked according to the following categories:

| <u>Ranking</u> | <u>Performance Category</u> |
|----------------|-----------------------------|
| Top 10% | Best Delivery Unit |
| Next 25% | Better Delivery Unit |
| Next 65% | Good Delivery Unit |

5.2 To facilitate the ranking of delivery units, the agency shall consider similarities of task and responsibilities to determine the most appropriate grouping or clustering of delivery units.

5.3 Only the personnel belonging to eligible delivery units are qualified for PBB. There shall no longer be a ranking of individuals within a delivery unit.

6. RATES OF CY 2016 PBB

The PBB rates of individual employees shall depend on the performance ranking of the delivery unit where they belong, based on the individual's monthly basic salary as of December 31, 2016, as follows, but no lower than Php5,000.00:

| Performance Category | PBB as % of MBS |
|----------------------------|-----------------|
| Best Delivery Unit (10%) | 65% |
| Better Delivery Unit (25%) | 57.5% |
| Good Delivery Unit (65%) | 50% |


MA. LOURDES B. RECENTE
 Chief Privatization Officer