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Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila

097.13 DPWH
10-09-2018

DEPARTMENT ORDER)
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No. 147)
Series of 2018 *p. 09.18*)
(Signature)

**SUBJECT : Strategic and Operational
Planning Policies and
Procedures**

To further institutionalize long-term strategic planning and implement systematically the DPWH strategic programs, policies and projects consistent with its mandate, and in line with the thrust on good governance and results-based performance management to achieve organizational goals, the following guidelines and procedures on strategic and operational planning are hereby prescribed:

I. DEFINITION OF TERMS

Strategic Planning – is an organizational management activity used to assess and adjust the organization's direction, set priorities, optimize resources, strengthen operations, and align units and people toward achieving intended goals, outcomes and results.

Operational Planning – is the process of linking the agency's and offices' long-term strategic plans into the operations of units and personnel during a given period (semi-annual or annual).

Balanced Scorecard – is a performance measurement framework that added non-financial performance measures to traditional financial metrics to give executives a more balanced view of organizational performance. Originated by Dr. Robert Kaplan and Dr. David Norton, it connects strategy formulation with strategy execution with a view towards achieving breakthrough results.

Performance Governance System (PGS) – is a strategic planning and management system based on the Balanced Scorecard framework adapted to Philippine governance setting.

PGS Strategy Map – is a visual presentation that describes the process in achieving organizational goals through a series of cause-and-effect linkages among objectives. It shows the agency's vision, mission, core values, goals and objectives.

PGS Scorecard – is a matrix showing the strategic performance measures of the agency or an office, the measure's baseline, targets, accomplishments (when applicable), and the responsible units/teams for one or group of measures.

PGS Measure – is a key strategic performance indicator used to evaluate how effectively the agency is in achieving its strategic objective.

Measure Profile – is a form that specifies the operational mechanisms (target setting, reporting and monitoring) and details of a PGS Measure (*refer to Appendix A*).

Measure Team – is a cross-functional group composed of personnel across the organization with complementary functional expertise or multidisciplinary skills, responsible for managing a PGS Measure.

Measure Manager – is a Head of an Office/Division designated to lead a Measure Team in managing a PGS Measure.

PGS Initiative – is a strategic program or project, outside the organization's day-to-day operational activities, that is designed to help the organization achieve its targeted performance in one or more strategic performance measures of the agency or an office.

Initiative Profile – is a form that provides information such as project milestones, deliverables/outputs, timeline, status and responsible units of a PGS Initiative (*refer to Appendix B*).

II. POLICIES AND PROCEDURES

1. The Department shall adopt the Performance Governance System/Balanced Scorecard framework as its strategic planning and management tool to guide the participatory strategic planning process (*refer to Appendix C*).
2. The Executive Committee shall meet at least once every three (3) years, or as the need arises, to review, reaffirm and/or clarify the agency's purpose (mission), its aspiration for future results (vision), and its principles that guide its actions (core values) consistent with its mandate. These charter statements guide the formulation and execution of the strategic and operational plans.
3. The PGS Steering Committee, Technical Working Group (TWG) and Secretariat (*refer to Department Order No. 141, Series of 2017, or latest issuance*) shall spearhead the strategic planning sessions involving key officials in identifying key result areas and setting strategic goals and objectives with respect to organizational outcomes, major final outputs, and core and support processes improvements that will be translated into a Strategy Map.
 - 3.1 The Corporate Planning and Management Division (CPMD) shall perform external and internal analysis of the organization's strengths, weaknesses, opportunities and threats using assessment tools such as, but not limited to, PESTEL Analysis, Value Chain Analysis, and SWOT Analysis, wherein the results will serve as inputs into the strategic planning sessions.
 - 3.2 An associated PGS Scorecard with measures (or key performance indicators) and targets for each of the map's strategic objectives and a Measure Profile corresponding to each measure shall be established.
 - 3.3 Measure Managers/Teams shall be designated and must meet at least quarterly to monitor the progress, identify issues and provide recommendations on one or a group of PGS Measures. Further, the Measure Managers/Teams shall develop and submit a portfolio of agency-wide PGS Initiatives with corresponding Initiative Profiles and proposed budget.

- 3.4 The following outputs of these strategic planning sessions will form part of the Department's Strategic Plan:
 - a) PGS Strategy Map
 - b) PGS Department Scorecard
 - c) Department Measure Profiles
 - d) Department Initiative Profiles
- 3.5 After evaluation of the outputs, the PGS Steering Committee shall recommend the Department's Strategic Plan to the Secretary for approval. The approved Department Strategic Plan shall be adopted and enforced through an issuance of a Department Order (*refer to Department Order No. 82, Series of 2017, or latest issuance*).
4. Review meetings for the Department Strategic Plan shall be done at least semi-annually (midyear and year-end review) while status reporting of Measures' accomplishments shall be done at least quarterly (*refer to Appendix D for the timeline*).
 - 4.1 When necessary, incremental changes and updates resulting from the review meetings of the Department Strategic Plan shall be reflected when recommended by the PGS Committee Chairperson and approved by the Secretary. These changes must be clearly disseminated to all concerned.
 - 4.2 In case of transformational changes and updates, the strategy development process shall re-commence starting with the Executive Committee who will review the mission, vision and core values consistent with the mandate.
5. Each Office (Bureau/Service/Cluster/Regional Office) shall conduct its operational planning session at least annually.
 - 5.1 The objective in the conduct of operational planning sessions is the formulation/updating of the following:
 - 5.1.1 For Central Offices, **PGS Initiatives** (Use PGS Form 001. *See Annexes A, B and C for the guidelines in accomplishing this form, or latest issuance*) aligned with the Department Strategic Plan, subject for approval by the concerned Undersecretary
 - 5.1.2 For Regional Offices, **PGS Measures** identical with or contributory to the Department PGS Measures (with Measure Profiles), to be recommended by the concerned Undersecretary, subject for approval by the PGS Committee Chairperson
 - 5.2 Each Office may request assistance and resource persons from the PGS Committee, TWG and the CPMD in the conduct of its operational planning sessions.
 - 5.3 Office Measure Managers/Teams shall be designated and must meet at least quarterly to monitor the progress, identify issues, and provide recommendations on one or a group of measures.

6. To operationalize the Strategic Plan of the Department and its Offices, performance targets and outputs shall be cascaded down to the Division/District Engineering Office (DEO) and Individual Levels through the Strategic Performance Management System (SPMS) procedures based on the latest DPWH-SPMS Manual (*refer to Appendix E Cascading Framework*).
7. Funding for the strategic programs, projects and initiatives of the Department and Office must be given priority in the preparation and evaluation of budget proposals and in the submission of funding requests.
8. Strategic Plans, and subsequent changes, must be communicated to internal and external stakeholders for improved engagement and increased participation in the implementation of the strategy. The Stakeholders Relations Service (SRS), in coordination with the CPMD, shall lead in the development/updating and implementation of a Strategic Communications Plan and branding (e.g., "Konkreto 2022").
9. To further increase transparency and foster multi-stakeholder engagement, the DPWH Multi-Stakeholder Governance Council (MSGC) composed of representatives from the national government, academe, construction industry, consulting organizations, civil society groups, professional associations, business and private sectors, shall serve as the Department's advisory and support body in the planning, implementation and monitoring of the strategic policies, programs, and projects. Upon the recommendation of the DPWH-MSGC and the after the conduct of capacity building for the Heads of Offices in the regions, Regional MSGCs may be established to address regional concerns.

The PGS Steering Committee & TWG, and the CPMD shall periodically review these strategic and operational guidelines to ensure effective and efficient implementation.

This Order supersedes the following issuances and shall take effect immediately:

- a. *Department Order No. 12, series of 2002: "Agency Performance Indicators"*
- b. *Department Order No. 113, series of 2004: "Agency Performance Indicators"*
- c. *Department Order No. 200, series of 2004: "DPWH Strategic Plan (Strat Plan) and Preparation of Annual Strategies and Operational Plans"*



MARK A. VILLAR
Secretary

Encl: (1) Annexes A, B & C - Guidelines in Accomplishing PGS Form 001
(2) Appendices A-Measure Profile; B-Initiative Profile; C-Process Framework; D-Strat Planning Timeline; E-Cascading Framework

1.3 JCD/CALJr/MCEC

Department of Public Works and Highways
Office of the Secretary



WIN8H01338



DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
PERFORMANCE GOVERNANCE SYSTEM



2018 2ND LEVEL SCORECARD

<TEXT 1>

<TEXT 2>

PGS Form 001

Strategy Alignment

Objective: <TEXT 3>

Measure/s: <TEXT 4>

Proposed Strategic Contributions

2017 Baseline

2018 Deliverable

<TEXT 5>

<TEXT 6>

Encl: ANNEX A - Guidelines in accomplishing PGS Form 001

ANNEX B - Alignment of Offices to PGS Objectives/Measures

ANNEX C - Criteria for Strategic Initiatives

Prepared by:

Noted by:

<TEXT 7>
Division Chief

<TEXT 8>
Bureau/Service/Cluster Director

ANNEX A

Guidelines in accomplishing PGS Form-001

Entry	Instructions
<TEXT 1>	Enter the name of the Bureau/Service/UPMO Cluster .
<TEXT 2>	Enter the name of the Division responsible to accomplish the proposed strategic initiatives.
<TEXT 3>	In the currently released DPWH Strategy Map in the Department Order 82 series of 2017: ' <i>Adoption of DPWH Performance Governance System (PGS) Strategy Map and Enterprise Scorecard 2017-2022</i> ', identify which objective your office is aligned with. Please see <i>Annex B</i> as reference. It is possible that the Bureau/Service/Cluster is aligned to various objectives. However, after finalizing entries for <TEXT 6> and <TEXT 5> , the Division must only include those objectives that the proposed strategic initiatives are contributing to.
<TEXT 4>	In reference to the assigned objective from the Strategy Map, identify which measure/s that your proposed strategic initiatives are aligned. Please see <i>Annex B</i> as reference. It should be noted that objectives have specific underlying measures; this means that only measures under the objective written in <TEXT 3> can be written in this entry. It is possible that the Bureau/Service/Cluster is aligned to various measures. However, after finalizing entries for <TEXT 6> and <TEXT 5> , the Division must only include those measures that the proposed strategic initiatives are contributing to.
<TEXT 6>	<p>These entries are the most crucial. <TEXT 6> pertains to the identified proposed strategic initiatives in forms of deliverables. By strategic initiatives, the PGS refers to results, outputs and actions that can improve the current operations of your unit which can directly or indirectly contribute to the accomplishment of the aligned measures/objectives for 2018. It should be noted that offices should resist the temptation to choose and decide quickly. Experience shows that the more ideas generated, the higher the quality of the ideas. Your offices may have also conducted previous target planning and setting for 2018 thus, outputs from these sessions can be utilized.</p> <p>For additional criteria on determining your offices' strategic initiatives, please see <i>Annex C</i>.</p>
<TEXT 5>	<p>In every strategic initiative identified which has to be accomplished for 2018, determine the situation in 2017 wherein the strategic initiative has not been implemented. This baseline situation per strategic initiative shall be entered in <TEXT 5>.</p> <p>This could be the absence of certain systems or current operational tasks that can be improved by the corresponding initiative, once implemented.</p>
<TEXT 7>	Enter the name and signature of the Division Chief
<TEXT 8>	Enter the name and signature of the Head of Office

General Notes:

1. If a Bureau/Service/Cluster has 'n' number of Divisions, the Head of Office must also submit 'n' number of accomplished PGS Form-001, each pertaining to one (1) division.
2. It is highly encouraged that all Division Chiefs and Section Chief undergo a small group discussion to be able to come up with substantial proposed Strategic Initiatives.

ANNEX B

Alignment of Offices to PGS Objectives/Measures

OBJECTIVE	#	MEASURE	OPR
Reduce travel time	1	Percent reduction in travel time in every priority corridor	Planning Service
Increase road network capacity	2	Kilometers of national roads along priority corridors widened to at least 4 lanes with complete features	Planning Service
	3	Number of bypass/diversion road and grade separation projects along priority corridors completed to at least 4 lanes with complete features	
Construct new roads & bridges to enhance national road system	4	Cumulative length in kilometers of expressways implemented through PPP completed, operated and opened to traffic	Public-Private Partnership Service
	5	Kilometers of new roads constructed to close gaps in the national road network	Planning Service
	7	Long span bridges completed	
Improve road quality & safety	8	Number of pertinent regions/UPMO clusters with newly completed road projects in the priority corridors meeting an international roughness index (IRI) of no more than 3.00 m/km	Bureau of Quality and Safety
	9	Number of fatal accidents prevented per year covered for every countermeasure implemented	
Meet international standard for road surface quality	10	% of newly completed road projects in the priority corridors meeting an international roughness index (IRI) of no more than 3.00 m/km	
Provide engineering solutions to road safety concerns	11	Number of accident black spots as per traffic accident data along national roads with technical studies	
	12	% of critical intersections along national roads in the priority corridors with completed traffic engineering interventions	
Protect lives & properties from natural disasters	13.a	% of vulnerable bridges retrofitted/replaced passable during and after disasters of magnitude within design parameters	
	13.b	% of vulnerable roads with slope protection projects passable during and after disasters of magnitude within design parameters	
	13.c	% of reported closed road sections after disasters cleared and opened to traffic within the required response time calibrated to the magnitude of the disasters	
	14	Reduced number of municipalities affected by flooding in the core areas of major and priority principal river basins	UPMO-FCMC
Mitigate flood damage in major river basins	15.a	Number of completed flood control Master Plans/Feasibility Studies for major river basins	UPMO-FCMC
	15.b	Number of major river basins with completed flood control projects as prescribed in the Master Plans/ Feasibility Studies	
	16.a	Number of completed flood control Master Plans/ Feasibility Studies for priority principal river basins (except major river basins)	
	16.b	Number of priority principal river basins (except major river basins) with completed flood control projects in the core areas as prescribed in the Master Plans/ Feasibility Studies	
Build disaster-resilient structures in calamity prone areas	17	Number of bridges along the primary roads in the identified vulnerable areas made resilient	Planning Service
	18	Linear meters of slope protection along the primary roads in the identified vulnerable areas completed and compliant with the latest DPWH standards and specifications	Planning Service
Institutionalize multi-year planning	6	Number of feasibility studies for inter-island linkage projects (long span bridges) completed	Planning Service
	19	% of projects costing more than one (1) Billion pesos identified in the Master Plans* for medium-term implementation (2023 – 2028) with completed Feasibility Studies	
Conform with design standards	20.a	% of implementing offices with at least VS rating in the annual Design Audit	Bureau of Design
	20.b	% of implementing offices with at least VS rating in the annual Quality Assurance Audit	Bureau of Quality and Safety

Expedite procurement process	21	% of implementing offices awarding at least 75% of total capital outlay for regular infrastructure by end of first semester	Procurement Service
	22	% of total capital outlay for regular infrastructure with releases up to the end of 3rd quarter awarded by the end of the funding year	
Comply with maintenance standards	23	% of districts with at least VS rating as to compliance with policy guidelines on maintenance of roads and bridges	Bureau of Maintenance
Connect convergence road projects to the national road network	24	Lane kilometers of roads constructed/ improved connecting economic zones to the national road network as identified through the DTI-DPWH convergence	Planning Service
	25	Lane kilometers of roads constructed/ improved connecting tourism areas to the national road network as identified through the DOT-DPWH convergence	
	26	Lane kilometers of roads constructed/ improved connecting new major seaports and airports to the national road network as identified through the DOTr-DPWH convergence	
Nurture a culture of ethical innovation & continuous learning	27	Third-party Net Trust Rating	Stakeholders Relations Service
	28	Third-party Internal Stakeholders Approval Rating	Human Resource and Management Service
Augment personnel & enhance competencies	29	% of civil works contracts handled by accredited DPWH Field Engineers and Materials Engineers (MEs)	Bureau of Quality and Safety, Bureau of Research and Standards
Enable the core processes with the appropriate technology	30	Number of prioritized applications developed	Information Management Service
	31	% of implementing offices meeting the ideal ratio of design office to set of licensed design software Regional Office (1:15) District Engineering Office (1:8)	Bureau of Design
Optimize equipment utilization and increase absorptive capacity	32.a	% Equipment fleet utilization	Bureau of Equipment
	32.b	% Equipment fleet availability	
	33.a	% Accomplishment of Equipment Fleet Requirements	
	33.b	% of the 18 Major Rivers Assigned with Minimum Fleet of Dredges and Support Vessels	
	34	Disbursement rate (disbursement over allotment) for allotment releases	Finance Service
35	Absorptive capacity including outside infrastructure projects (obligation over allotment) for allotment releases		

Note: For specialized offices, align your strategic initiatives on the following objectives:

1. Internal Audit Service (IAS) – Monitoring and Validating the PGS Accomplishment
2. Legal Service (LS) – Right-of-Way component of PGS-targeted projects
3. UPMO-Road Management Cluster I (RMC I) and II (RMC II) – Projects along the Priority Corridors
4. UPMO-Bridges Management Cluster (BrMC) – Projects along the Priority Corridors
5. UPMO-Buildings Management Cluster (BuMC) – Convergence projects with other agencies

ANNEX C

Criteria in the identification of Strategic Initiatives

1. Each **Division** must identify not more than three (3) Strategic Contributions. Limiting it to three enables them to identify most critical innovations that can be manageable to accomplish (Quality over Quantity);
2. These initiatives must be:
 - a. Within the Mandate and sphere of influence of the Office – To be able to ensure that the initiatives are feasible, it must be bounded by the capabilities of the office. However, this does not hinder coordination and/or collaboration with other offices within and outside the Bureau/Service/Cluster.
 - b. Aligned to the enterprise scorecard – The DPWH Strategy Map and Enterprise Scorecard stipulates specific measures assigned to different Offices of Primary Responsibility (OPRs). These offices have varying responsibilities - from monitoring, implementing to validating accomplishments. The role of every Division with respect to the Bureau/Service/Cluster's task in the Enterprise Scorecard as OPR is where the alignment must be established.
 - c. On top of the regular work – If your office is mandated to, for example, check completeness of documents or site inspection for validation, then these activities are not strategic initiatives.
 - d. Not Business-As-Usual – In relation to item c; initiatives are outputs not written in your workflow matrix or process flows.
 - e. Formulated in which group/team collaboration is made – Teamwork, as one of the Department's Core Values, is encouraged in accomplishing the initiatives.
 - f. Pass the 'GMOTB' Test – The 'Get-Me-Out-Of-The-Bed' Test simply suggest that all members in the team must be involved in the initiative and must give a certain level of participation for its success. It must enable each member to think creatively and inspire him/her to complete the tasks assigned every day.
3. These initiatives may:
 - a. **Address Pain Points** - *What weaknesses or inefficiencies in our operations can we once and for all cure? What could we do more consistently?*
 - b. **Be Pockets of Excellence** - *Where are our pockets of excellence and how do we bring them to the next level? What do our best performers do differently?*
 - c. **Never been done before** - *What could we do that we have never done before that might make all the difference in the identified strategic objective/s?*
4. Contributions must NOT be accomplished simply through 'the tip of the pen' – This means that the release of a memorandum or any correspondence is not a strategic initiative. The release of such document may be part of the mandate of the office. However, this may be a sub-task within a strategic initiative;
5. The Head of Office must take charge in deciding the level of 'priority' of the proposed contributions.

Measure Profile No. _

What is the objective?
What is the measure?
What is the reason behind choosing this measure?

How often is the measure updated/calculated?
What is the unit of measure used?

How is the measure calculated? Clarify the terms in the formula

What data is required in calculating the measure? Where/how is it acquired? (specify document or person)

Is information about the measure available?

- Currently available
- With minor changes
- Still to be formulated

When will this info be available?

Who is responsible for setting targets?

Who is accountable for targets?

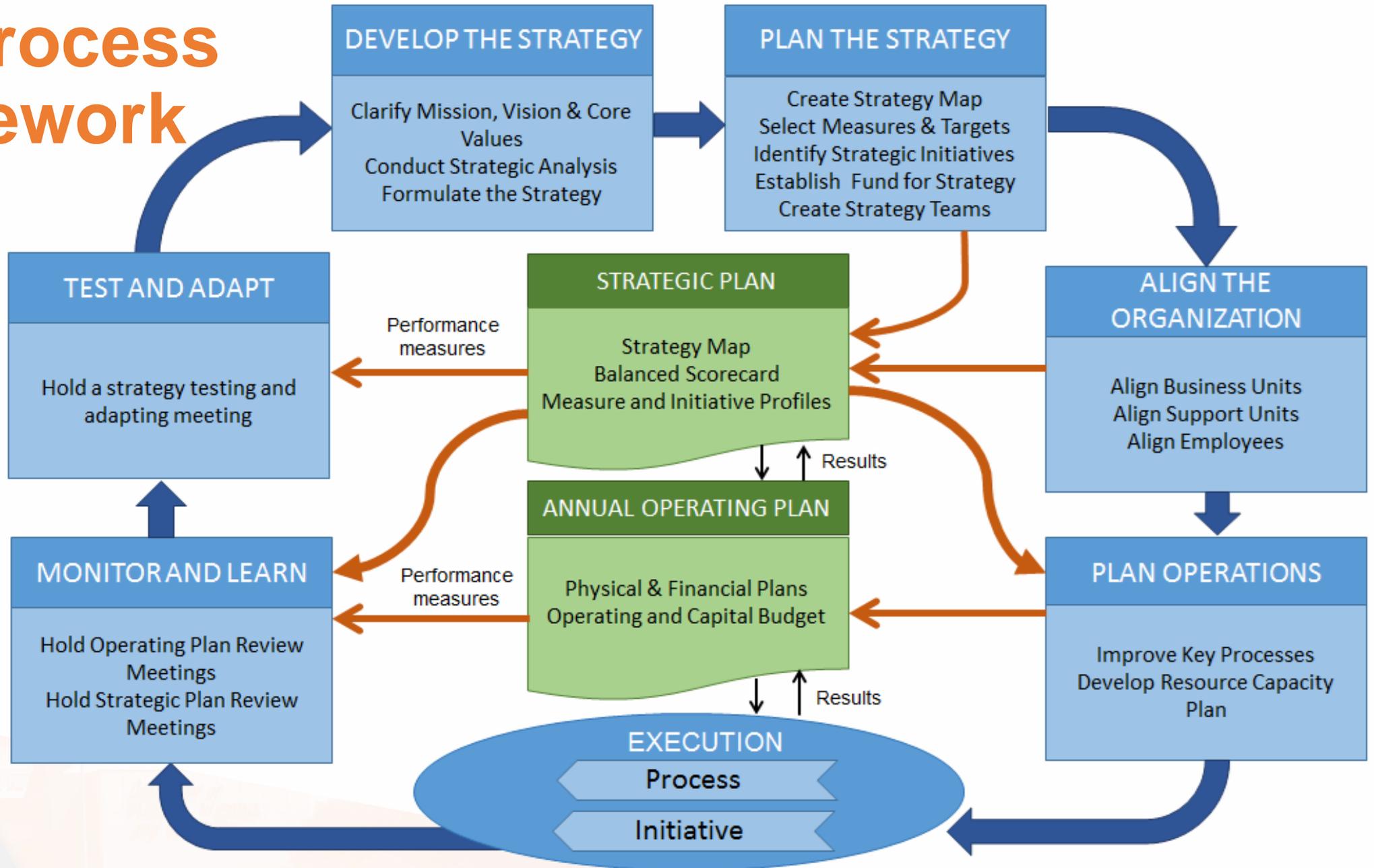
Who is responsible for tracking & reporting targets?

BASELINE (2016)	2017		2018	2019	2020	2021	2022
	TARGET	ACTUAL	TARGET	TARGET	TARGET	TARGET	TARGET

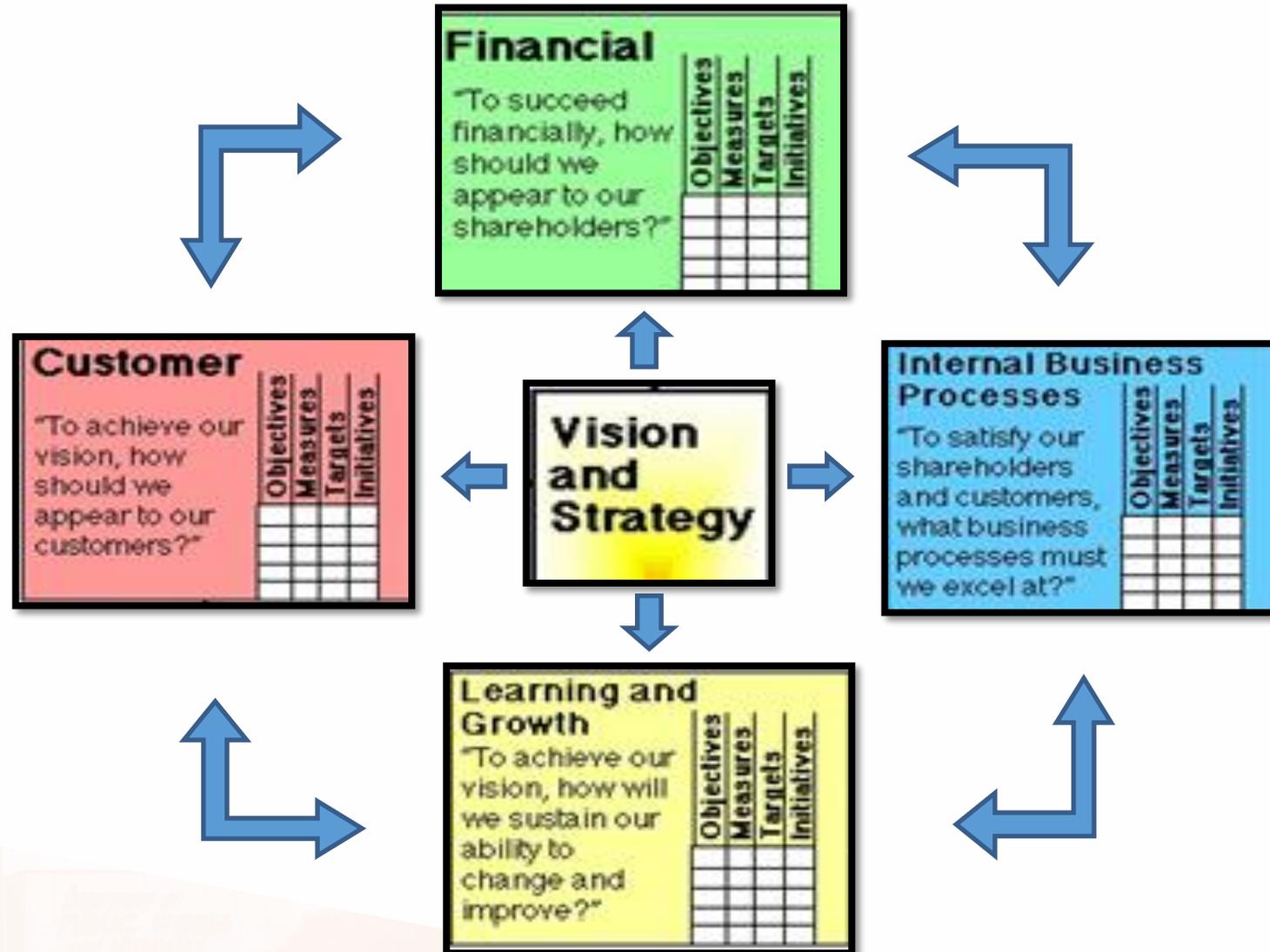
INITIATIVE PROFILE

PROJECT TITLE & DESCRIPTION			MEASURES AFFECTED		PROJECT OWNER		
PROJECT MILESTONES		TIMELINE		BUDGET		RESPONSIBLE UNITS	STATUS
DELIVERABLES/OUTPUTS		START	FINISH	AMOUNT, PhP	SOURCE		

PGS Process Framework



The **Balanced Scorecard** by Kaplan & Norton



APPENDIX D. Strategic Planning Timeline

ACTIVITY	FREQUENCY	Previous Year			Current Year												Next Year		
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Department Strategic Planning	Every milestone year*																		
Department Strategic Plan Review Sessions	Semi-Annually																		
Status Reporting	Quarterly																		
Office Operational Planning Sessions	Annually																		
Office Operational Plan Review Sessions	Semi-Annually																		
					First Semester						Second Semester								

*During the period where transformational changes in strategy are expected to happen, such as end of milestone year, end of medium-term, changes in leadership, etc.

Department Strategic Plan

- Strategy Road Map
- Department PGS Scorecard (+ Measure Profiles)
- Department PGS Initiatives (+ Initiative Profiles)

PGS Cascading Framework

Office Performance and Commitment Review (OPCR) Form

- Central Offices
 - Office PGS Initiatives (PGS Form 001)
 - Performance Indicators in the Program Expenditure Classification (PREXC) of the General Appropriations Act
 - Office Mandate & Other Functions
- Regional Office
 - Office PGS Measures (+ Measure Profiles)
 - Performance Indicators in the Program Expenditure Classification (PREXC) of the General Appropriations Act
 - Office Mandate & Other Functions

Division / DEO

- Division/DEO PCR Forms
- Individual PCR Forms