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

097.13 DPH
07-28-2018

DEPARTMENT ORDER)
No. **143**)
Series of 2018)

SUBJECT : Mechanics of Ranking Delivery Units as Basis for the Grant of Performance-Based Bonus (PBB) for FY 2018

In connection with the implementation of a performance-based incentive system in this Department pursuant to E.O No. 80 dated July 20, 2012 and EO 201 dated February 19, 2016 and as provided under Memorandum Circular (MC) No. 2018-1 dated May 28, 2018 issued by the Inter-Agency Task Force (IATF) on Administrative Order (A.O.) No. 25, the following mechanics of ranking delivery units as basis for the grant of **Performance-Based Bonus (PBB)** for **FY 2018** are hereby prescribed:

1.0 ELIGIBILITY OF THE DEPARTMENT

As provided in Section 4.0 of MC No. 2018-1, the Department must satisfy the following conditions to be eligible for the grant of PBB.

- a. **Good Governance Conditions:** Satisfy 100% of the Good Governance Conditions for FY 2018 set by the AO 25 Inter-Agency Task Force (IATF) as provided in Section 5.0 of MC No. 2018-1.
- b. **Performance Targets:** Achieve each one of the Physical Targets, Support to Operations (STO) and General Administration and Support Services (GASS) requirements for FY 2018. The agency is required to streamline government processes, achieve higher citizen/client satisfaction, and sustain fiscal discipline as detailed in Section 6.0 of MC No. 2018-1.
- c. **Performance Rating of Employees and CES Positions:** Use the **CSC-approved Strategic Performance Management System (SPMS)** in rating the performance of First and Second Level officials and employees of the Department; and officials holding managerial and Director positions but are not Presidential appointees. In rating the performance of Career Executive Service (CES) officers and incumbents of CES positions (including Presidential appointees), the **Career Executive Service Performance Evaluation System (CESPES)** shall be the basis.

2.0 ELIGIBILITY OF INDIVIDUALS

With reference to Section 7.0 of MC No. 2018-1, the following eligibility requirements for individuals are hereby emphasized:

- 2.1 Eligibility of individuals to the grant of PBB shall be based on the eligibility of the Department and ranking of their respective delivery units.

- 2.2** Employees belonging to the First, Second and Third Levels should receive a rating of **"Satisfactory"** based on the agency's CSC-approved Strategic Performance Management System (SPMS) or the CESPES. CESPES covers all incumbents of CES positions in various agencies of the national government including GOCCs with original charters, for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent on the release of results of the CESPES.
- 2.3** 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 to the **full grant of the PBB**. For length of services less than nine (9) months but a minimum of three (3) months, grant of PBB shall be given on a pro-rata basis corresponding to the actual length of service rendered.
- 2.4** Officials and employees who failed to submit their complete SPMS Forms shall NOT be entitled to the FY 2018 PBB.
- 2.5** It is hereby understood that Memo Circular No. 2018-1 of AO25-IATF dated May 28, 2018 shall be deemed an integral part of this issuance and all other rules governing eligibility for the grant of the PBB stipulated therein shall also take effect as applicable. The Corporate Planning and Management Division (CPMD) of the Office of the Secretary shall coordinate with the Human Resource Management Division (HRMD) of the Human Resource and Administrative Service, for the determination of officials and employees who have met the above Individual Eligibility requirements and therefore entitled to the PBB.

3.0 DELIVERY UNITS

As per Section 8.2a of MC No. 2018-1, a delivery unit shall be the primary subdivision of a department/agency performing substantive line functions, technical services, or administrative support, as reflected in the agency's organizational structure/functional chart. As for the DPWH, the identified Delivery Units are as follows:

- Office of the Secretary¹
- Six (6) Bureaus
- Nine (9) Services
- Sixteen (16) Regional Offices
- Unified Project Management Office (UPMO)²

¹ Including the Offices of the Undersecretaries and Assistant Secretaries and immediate support staff

² Including the five (5) UPMO Clusters

In this case, the District Engineering Offices (DEOs) shall be clustered under their respective supervising Regional Office (RO). Likewise, all Undersecretaries and Assistant Secretaries, and their immediate support and technical staff, shall be clustered under the Office of the Secretary.

4.0 RATING AND RANKING OF DELIVERY UNITS

4.1 Regional and Unified Project Management Offices

The ROs and DEOs, respectively, shall be rated based on their respective performance and accomplishments (of set targets) for FY 2018 using the following criteria: *a) Construction Accomplishment; b) Quality Control Performance in Project Implementation; c) Design Audit and Assessment Performance; d) Maintenance Implementation and Practices; e) Absorptive Capacity; and f) Procurement.* Since the RO and the DEOs within that region shall act as one (1) delivery unit, their individual ratings shall be consolidated into a regional rating as stipulated in Annex A of this Order. Except for "*Design Audit & Assessment Performance*", "*Maintenance Implementation and Practices*", and "*Procurement*," the same criteria shall also be applied in evaluating the performance of Unified Project Management Offices (UPMO) Clusters. Since the UPMO Clusters shall act as one (1) delivery unit, the average of their individual ratings shall be the rating for UPMO. If necessary, the methodology of calculations for each criterion shall be updated by the responsible offices as indicated in Annex A, subject for approval by the Secretary.

CRITERIA (Implementing Offices)	Distribution Percentage (%) Weight	
	RO / DEO	UPMO CLUSTERS
a) Construction Accomplishment	20	40
b) Quality Control Performance in Project Implementation	20	40
c) Design Audit & Assessment Performance	15	n/a
d) Maintenance Implementation and Practices	15	n/a
e) Absorptive Capacity	15	20
f) Procurement	15	n/a
TOTAL	100	100

4.2 OSEC Proper, Bureaus and Services

On the other hand, the performance of the remaining delivery units clustered based on their role as the department's policies and standards formulating offices shall be evaluated based on the targets that each office has accomplished in accordance with their respective approved Annual Goals and Operations Plans for FY 2018, and confirmed by the Management Committee (MANCOM).

Criteria (OSEC Proper, Bureaus & Services)

Areas of Evaluation	Distribution Percentage (%) Weight
Regular Functions Accomplishment	80
PGS Balanced Scorecard Accomplishment	20
TOTAL	100

The CPMD is hereby given the authority to randomly verify ratings given by the final raters and that CPMD may require, for this purpose, the submission of documentary evidence used as basis for the ratings given.

4.3 Distribution of Performance Category

The CPMD, which is tasked to link incentives to performance, shall finalize the summary of ratings of all delivery units based on the applicable criteria with the official ratings submitted by the responsible offices as stipulated in Annex A.

The CPMD shall present the ranking to the EXECOM, wherein the EXECOM will determine the final force ranking of all delivery units based on the following distribution per performance category:

Performance Category	Distribution
Best Delivery Units	Top 10%
Better Delivery Units	Next 25%
Good Delivery Units	Next 65%

5.0 RATES OF THE PBB


The PBB rates for individual employees shall depend on the performance ranking of the delivery units where they have performed their duties for FY 2018, with the rate of incentive as a multiple of the individual's monthly basic salary as of December 31, 2018, as follows:

Performance Category	% of Monthly Basic Salary
Best Delivery Unit	65.0%
Better Delivery Unit	57.5%
Good Delivery Unit	50.0%

In computing the PBB amount to be received by each individual, it must be correctly determined whether they are entitled to a full grant or a pro-rated grant as per Section 7 of MC No. 2018-01.

This Order, which supersedes previous issuances to the contrary, shall cover the performance of delivery units for FY 2018 and shall take effect immediately.

MARK A. VILLAR
Secretary


DIMAS S. SOGUILON
Undersecretary
Officer-In-Charge

Department of Public Works and Highways
Office of the Secretary



Encl: (1) Annex A: Calculation of Performance Accomplishment of Delivery Units based on Criteria
(2) Inter-Agency Task Force on Administrative Order No. 25 (AO25) Memorandum Circular (MC) No. 2018-1 dated May 28, 2018

ANNEX A: Calculation of Performance Accomplishment of Delivery Units Based on Criteria

Responsible Office refers to the specific office within the department that shall be in-charge in the assessment and calculation of the specific criterion stipulated in this Department Order.

Criteria	Responsible Office
Construction Accomplishment	Bureau of Construction
Quality Control Performance in Project Implementation	Bureau of Quality and Safety
Design Audit & Assessment Performance	Bureau of Design
Maintenance Implementation and Practices	Bureau of Maintenance
Absorptive Capacity	Finance Service
Procurement	Procurement Service

These offices must provide the CPMD with the official rating of all Regional Offices, District Engineering Offices and the UPMO Clusters in the criterion that they are managing and maintaining. They must also submit to the CPMD, if necessary, a revised criteria definition and methods of calculation once deviations and new policies have been made that may be crucial in the determination of office ratings.

I. Criteria for Implementing Offices

A. Construction Accomplishment measures the performance of the Regional Offices / District Engineering Offices / Unified Project Management Office Clusters based on their actual physical accomplishment in the implementation of DPWH Regular Infrastructure projects generated from the Project Monitoring System (PMS) and Project and Contract Management Application (PCMA).

The performance of the office is computed based on the total releases (carry over and current year projects) which represents their accomplishment under the construction stage, using the following formula:

$$\text{Rating} = 80\% (A) + 10\% (B) + 10\% (C)$$

Where,

A = Construction Accomplishment (Current Year) in the PCMA (FY 2018)

B = Construction Accomplishment (Carry Over) in the PCMA (FY 2016 and FY 2017)

C = Construction Accomplishment (Carry Over) in the PMS (Active Projects from FY 2015 and prior years)

B. Quality Control Performance in Project Implementation is an appraisal of the quality control and construction procedures in the implementation of DPWH projects including maintenance undertakings. It takes into account the capability of the organizational unit to implement, resource-wise, the DPWH Quality Assurance program.

The ratings are computed based on the following formula:

Responsibility Area		Weight
a. Effectiveness of Quality Control Implementation		75%
a.1 Timeliness of testing materials relative to its use in the project	10%	
a.2 Ability to implement quality control policies	15%	
a.3 Quality of completed works	50%	
b. Project Supervision		15%
b.1 Personal Adequacy		
b.2 Personal Competence		
c. Adequacy/Reliability of Laboratory Equipment and Facilities		10%
TOTAL		100%

C. Design Audit and Assessment Performance covers the evaluation/assessment of detailed architectural and engineering design and processes undertaken by the Regional and District Engineering Offices as to compliance with the latest edition of DPWH Design Guidelines, Criteria and Standards (DGCS) and other existing applicable laws, codes and Department Orders/Issuances relative to design.

The ratings are computed based on the following formula:

Areas of Evaluation		Percentage Weight	
		Project	Office
I.	Adequacy of Field Investigation (30%)		
	1. Survey Data (Topographic/Hydrographic/Drainage)	15%	
	2. Geological/Geotechnical Data	15%	
II.	Efficiency of Design Management (30%)		
	1. Completeness of Design Analysis	15%	
	2. Availability of Design Tools		5%
	3. Competency of Design Engineers/Architects		5%
	4. Proper Document Management System		5%
III.	Quality of Plans (40%)		
	1. Compliance to D.O. 56, s. 1995	10%	
	2. Completeness of Drawings/Details	30%	
TOTAL		85%	15%
Total Percentage Equivalent		100%	

D. Maintenance Implementation and Practices is the capability of the field offices (Region and District Engineering Offices) to provide the requisite maintenance action/s on defects and deficiencies on our road network and other government infrastructures in a timely and efficient manner employing the highest quality of completed maintenance works in accordance with existing Departmental policies and standards.

The criteria for the computation of the performance rating on maintenance of Regional and District Engineering Offices are as follows:

1) Road Condition and Evaluation Division (RCMED)

The basis of the assigned percentage is the semestral inspection of all national roads and bridges of the District Engineering Offices to measure compliance to Department Order No. 41, s. 2016. The degree/level of maintenance is reflected on the total quality of the defects noted during actual field inspection, the response provided by the DEOs to correct/repair the noted defects within the prescribed response times and the acceptability of their submitted justification as to circumstances like in unwarranted delay in completing the rectification works are considered in computing the performance rating. Meanwhile, the Regional Offices are rated based on the performance of the DEOs in their respective jurisdiction;

2) Policies and Standards Division (PSD)

The assigned percentage is based on two factors: (1) the timeliness or the prompt submittal of all required documents needed by the Bureau for the PSD to prepare draft policies and guidelines; and (2) the quality and completeness of the requisite submittal. Specific to these requirements, among others, is the adherence by the DEOs on their Annual Maintenance Work Program as to utilization of maintenance funds for labor, equipment and materials;

3) Safety and Disaster Management Coordination Division (SDMCD)

The assigned percentage is based on the average score of participants during the Training/Workshops conducted by the BOM, since these training/workshops are interactive. Adherence/compliance to the provisions of Department Order No. 15, s. 2015 is likewise considered in the computation of percentage points.

4) National Buildings Service Division (NBSD)

The assigned percentage is based on the prompt submittal of requisite documents and the quality of the submitted reports. Specific to these requirements are the timeliness and quality of submittal of the DEOs Monthly Accomplishment Reports on completed maintenance activities for the repair of Other Public Buildings (OPB), and Flood Control and Drainage Structures, and the complete and verified inventory of these structures.

E. Absorptive Capacity is the ability of an agency to maximize the use of available financial resources. This can be computed as obligation over allotment.

$$\% = \frac{\text{Obligation}}{\text{Allotment}}$$

F. Procurement measures the performance of all procuring Entities using the following recommended criteria/formula:

Criteria	Value (Maximum)
<p>A. Compliance in Civil Works Application (CWA) Report of awarded contracts posted/updated in the CWA against total number of contracts processed</p> <p style="text-align: center;"><i>$\frac{\text{No. of contracts awarded/completed}}{\text{No. of contracts bid-out/processed}}$</i></p>	70%
<p>B. Compliance to submission of BAC composition Submission of new BAC composition upon expiration of the terms of the current BAC members</p> <p style="text-align: center;"><i>On-time submission = 30%</i> <i>Late/Non-Submission = 0</i></p>	30%
OVERALL COMPLIANCE	100%

Each criterion will be assessed by the Responsible Office. To calculate the regional rating for each criterion, consider:

For Criterion A and E

$$R = \sum_{X=X_1}^{X_n} (X * w)$$

Where,

R = Regional Rating
n = Total number of IOs
X = Rating of Individual IO
w = Weight of the Individual IO's allotment to the total regional allotment
i.e., w = IO allotment / Total regional allotment

For Criterion B, C, D and F

$$R = \frac{1}{n} \sum_{X=X_1}^{X_n} X$$

Where,

R = Regional Rating
n = Total number of DEOs
X = Rating of Individual DEO

II. Criteria for Bureaus and Services

Regular Functions Accomplishment is the performance of an office based on the accomplishment of office's target outputs in the Strategic Performance Management System as assessed by the Performance Management Team (PMT) in the two (2) semestral ratings to be reflected in the respective Office Performance and Commitment Review (OPCR) forms.

PGS Balanced Scorecard Accomplishment is the offices' adoption and contribution to the enterprise scorecard translated into concrete and quantifiable measures as approved by the concerned Undersecretary. The office scorecard shall be the basis of identifying the targeted strategic measures for FY 2018.

Each measure shall be computed based on the following formula:

$$\% \text{ per measure} = \frac{\text{Actual 2018 Accomplishment}}{\text{Target 2018 Accomplishment}}$$

Then, to calculate the final PGS Balanced Scorecard Accomplishment, consider:

$$PGSR = \frac{1}{n} \sum_{X=X_1}^{X_n} X$$

Where,

PGSR = Performance Governance System Rating
n = Total number of strategic initiatives
X = Rating of individual strategic initiatives



**INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS**
(Administrative Order No. 25 s. 2011)

MEMORANDUM CIRCULAR NO. 2018 - 1

May 28, 2018

TO : All Heads of Departments, Bureaus, Offices and Other Agencies of the National Government, including Constitutional Commissions, Congress, The Judiciary, Office of the Ombudsman, State Universities and Colleges, Government-Owned or-Controlled Corporations, Local Water Districts, and Local Government Units

SUBJECT: Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2018 under Executive Order No. 80 s. 2012 and Executive Order No. 201 s. 2016

1.0 BACKGROUND AND RATIONALE

- 1.1 In his 2017 State of the Nation Address, President Rodrigo Duterte called for a government equipped with political will and braced by a concerned citizenry to be able to overcome the problems facing the country through collective purpose and collaborative actions. He emphasized the need for heightened transparency and deeper accountability to the Filipino people to fight corruption and cleanse the bureaucracy.
- 1.2 Hence, among his priorities is to ensure citizen-centric public service to bring the government closer to people with the citizenry empowered to evaluate and give feedback on public services and the bureaucracy, especially on frontline transactions. He reiterated his directive to all government offices to quickly respond and yield meaningful results in streamlining processes, working more efficiently, and providing high quality and genuine public service that Filipinos deserve without delay and bureaucratic red tape. He underscored the responsibility of each public servant to act with commitment and urgency in protecting and serving the values, welfare and well-being of every Filipino.
- 1.3 Moreover, in his Veto Message in the Fiscal Year (FY) 2018 National Budget, President Duterte declared confidence in strengthening the country's foundation for a *matatag, maginhawa, at panatag na buhay* that Filipinos aspire for. The FY 2018 National Budget represents the sound priorities and programs aimed at fostering the golden age of infrastructure, secure peace and order, and accelerate human capital development for sustained and inclusive growth. To this goal, he called for efficient, responsible and disciplined utilization of the National Budget.
- 1.4 To tighten the advocacy for intensified public accountability, heightened transparency, stronger fiscal discipline, and more efficient government processes, the government is leveraging the priorities of its Results-Based Performance Management System (RBPMS) and its people-centered Performance-Based Incentive System (PBIS) through requirements and conditions aiming to fight corruption, achieve higher citizen satisfaction and implement a firmer validation process to recognize outstanding performance in government service.

2.0 PURPOSE

This Memorandum Circular is issued to prescribe the criteria and conditions for the grant of Performance-Based Bonus (PBB) for FY 2018 performance to be given in FY 2019.

3.0 COVERAGE

- 3.1 This Circular covers all Departments, Bureaus, Offices and Other Agencies of the National Government, including Constitutional Commissions, Congress, The Judiciary, Office of the Ombudsman, State Universities and Colleges (SUCs), Government-Owned or-Controlled Corporations (GOCCs), Local Water Districts (LWDs) and Local Government Units (LGUs).
- 3.2 The implementation of this circular shall be done in close coordination with the following:
- a. Department of Budget and Management (DBM) for the Departments and attached agencies;
 - b. Office of the President-Office of the Executive Secretary (OP-OES), Office of the Cabinet Secretary (OP-OCS), and DBM for the Other Executive Offices (OEOs), including the OP-attached agencies and GOCCs covered by DBM;
 - c. Commission on Higher Education (CHED) for the SUCs;
 - d. Governance Commission for GOCCs (GCG) for GOCCs covered by Republic Act No. 10149;
 - e. Local Water Utilities Administration (LWUA) for LWDs;
 - f. Department of the Interior and Local Government (DILG) for LGUs; and
 - g. Department of Education (DepEd) for regional and division offices, and secondary and primary schools.
- 3.3 All officials and employees of eligible departments/agencies holding regular plantilla positions; contractual and casual personnel having an employer-employee relationship with the said agencies, and whose compensation are charged to the Personnel Services budget; as well as those occupying positions in the DBM-approved contractual staffing pattern of the agencies concerned are covered by this Circular.

4.0 ELIGIBILITY CRITERIA

Each agency must satisfy the following conditions to be eligible for the grant of PBB. See *Annex 1: Master List of Departments/Agencies and Prescribed Delivery Units in Departments/Agencies*:

- 4.1 **Good Governance Conditions:** Satisfy 100% of the Good Governance Conditions (GGCs) for FY 2018 set by the AO 25 Inter-Agency Task Force (IATF) as provided in Section 5.0;
- 4.2 **Performance Targets of Agencies:** Achieve each one of the Physical Targets, Support to Operations (STO) and General Administration and Support Services (GASS) requirements for FY 2018.

To align government's performance with the priorities of the Duterte Administration toward the efficient delivery of citizen-centric public services, the AO 25 IATF is requiring National Government Agencies (NGAs), and GOCCs covered by DBM to streamline government processes, achieve higher citizen/client satisfaction, and sustain fiscal discipline as detailed in Section 6.0.

Notwithstanding the above, the physical targets of SUCs, GOCCs covered by RA 10149, LWDs and LGUs shall pertain to the following:

- a. For SUCs, achieve each one of the Congress-approved performance targets under the FY 2018 General Appropriations Act, and the FY 2018 STO and GASS requirements;
- b. For GOCCs covered by RA No. 10149, achieve the targets reflected in their approved FY 2018 Performance Scorecard and eligibility requirements specified in a separate guideline to be issued by GCG;

- c. For LWDs, achieve each one of the physical targets, STO and GASS indicators as identified by LWUA in a Joint Memorandum Circular to be issued by LWUA and DBM; and
 - d. For LGUs, performance targets shall be based on the Guidelines on the Grant of PBB for LGUs to be issued by the AO 25 IATF and DILG.
- 4.3 **Performance Rating of Employees and CES positions.** Use the CSC-approved Strategic Performance Management System (SPMS) in rating the performance of the First and Second Level officials and employees of departments/agencies in NGAs, GOCCs and LGUs, including officials holding managerial and Director positions but are not Presidential appointees. The rating of the performance of Career Executive Service (CES) officers and incumbents to CES positions shall be based on the requirement to be issued by the Career Executive Service Board (CESB).

5.0 FY 2018 GOOD GOVERNANCE CONDITIONS (GGCs)

- 5.1 The AO 25 IATF sets the following GGCs based on performance drivers of the RBPMS and the priorities of the Duterte Administration for 1) heightened transparency, 2) stronger public accountability, and 3) more inclusive and people-centered public service:
- a. **Maintain/Update the agency Transparency Seal (TS)** pursuant to Section 99 of the General Provisions of the FY 2018 General Appropriations Act (GAA). The TS page should be accessible by clicking the TS logo on the home page. See *Annex 2: Guideline on Transparency Seal* for full details of requirements, which shall include the following:
 - 1) Agency's mandate and functions; names of its officials with their position and designation, and contact information;
 - 2) Annual Financial Reports;
 - 3) DBM Approved Budget and Corresponding Targets for FY 2018
 - 4) Major Projects, and Programs, Beneficiaries, and Status of Implementation for FY 2018;
 - 5) FY 2018 Annual Procurement Plan (FY 2018 APP Non-CSE), Indicative FY 2019 APP Non-CSE, and FY 2019 APP for Common-Supplies and Equipment (FY 2019 APP CSE). *See also Section 6.4.;*
 - 6) Quality Management System (QMS) Certification to ISO 9001:2015 issued by any of the certification bodies (CBs) accredited by the International Accreditation Forum (IAF) members or similar standards relating to Total Quality Management (TQM), e.g. Philippine Quality Award, ISO/IEC 17025, ISO 17020, and Omentum Accreditation Canada, of at least one (1) core process or frontline service. *See also Section 6.3;*
 - 7) System of Agency Ranking Delivery Units for FY 2018 PBB. *See Section 8.6;*
 - 8) The Agency Review and Compliance Procedure of Statements and Financial Disclosures (*See Section 6.5.a*); and
 - 9) The Final People's Freedom to Information (FOI) Manual signed by head of agency; Agency Information Inventory; 2017 and 2018 FOI Summary Report, and 2017 and 2018 FOI Registry (*See Section 6.5.b*)
 - b. **Post/Update the PhilGEPS posting of all Invitations to Bids and awarded contracts** pursuant to the Government Procurement Reform Act (RA No. 9184) for transactions from November 16, 2017 to January 31, 2018, including the Early Procurement of FY 2019 Non-CSE items. Agencies should track their status through PhilGEPS microsite: <http://data.philgeps.gov.ph/directory/pbb.aspx>. *See Annex 6: Guideline on PhilGEPS Posting.*
 - c. **Maintain/Update the Citizen's or Service Charter or its equivalent**, reflecting the agency's enhanced service standards for all its frontline services to citizens, businesses, and government agencies, consistent with the objectives of the Anti-Red Tape Act of 2007 (RA No. 9485), and the President's directive to reduce

processing time of all public transactions with government, and ensure accessible and convenient delivery of services to the public, as reiterated in CSC Memorandum Circular No. 14, s. 2016.

The Certificate of Compliance (CoC) submitted pursuant to CSC MC No. 14, s. 2017 shall be the basis for the validation for FY 2018. For agencies which have not submitted the CoC, the same shall be complied with pursuant to the guidelines set forth in CSC MC No. 14, 2017 and shall be submitted on or before August 1, 2018 to the CSC's Office for Strategy Management through the AO 25 Secretariat. The CSC validation shall be complemented with reports on feedback and complaints from citizens gathered by the OP, PMS, CSC and PCOO from the 8888 Hotline and the FOI portals. The CSC shall issue guidelines in the validation of the Citizen's Charter requirements for FY 2018.

- 5.2 Non-compliance with any of the GGCs will render the entire department/agency ineligible for the PBB. Assessment of agency compliance with GGC requirements shall be conducted starting October 1, 2018.

6.0 FY 2018 PERFORMANCE TARGETS

With respect to the Physical Targets, the AO 25 IATF sets the following requirements to strengthen the performance of departments and agencies in efficiently providing public services.

- 6.1 **Streamlining and Process Improvement of the Agency's Critical Services** covering Government-to-Citizens (G2C), Government-to-Businesses (G2B), and Government-to-Government (G2G) transactions as cited in the agency's Citizen's/Service Charter. To promote the periodic measurement of agency performance in delivering said services, agencies shall determine and report the following using the Modified Form A-Department/Agency Performance Report (See Annex 3A):
- a. **Number of Steps.** For each critical service, departments/agencies shall report the number of steps necessary to complete the service/process.
 - b. **Transaction Costs.** These are the costs incurred by the transacting citizens/clients in securing services from government. For purposes of FY 2018 PBB, these costs are categorized as follows:
 - 1) **Primary Transaction Costs/Fees.** These are the fees incurred by the transacting citizens/clients paid to government agencies in availing the critical services. These are the fees declared in the agency's Citizen's/Service Charter. Examples are application fees, registration fees, etc.
 - 2) **Other Transaction Costs.** These are the other fees that transacting citizen/client has to pay in obtaining supporting information from another agency to secure needed primary information. Examples of these costs are those for getting birth certificates to secure passports, barangay clearance to secure business permit, and required photos, printing costs, photocopying costs, etc.
 - c. **Substantive Compliance Costs** which are the incremental costs to the target group in complying with a regulation, other than administrative costs (OECD, 2014, p.13). These costs can include implementation costs, direct labor costs, overhead costs, equipment costs, material costs, and external service costs. Examples are the purchase of early warning devices for vehicle owners, installation of accelerograph for building with 10 floors and up, maintenance of waste disposal system for establishments, etc.
 - d. **Number of Signatures.** Departments/Agencies shall declare the number of signatures required to complete each service/process, including the initials required.

- e. **Number of Documents.** For each critical service, departments/agencies shall indicate the total number of documents necessary to complete the transaction cycle. The number of documents shall refer to the documents required from the transacting citizens/clients, and the documents that are used by departments/agencies in their internal processing until the completion/delivery of the critical service to the transacting citizens/clients.
- f. **Turnaround Time.** For each critical service, departments/agencies shall estimate the turnaround time to complete the service/process. Turnaround time is the sum of the waiting and processing time. It starts from the moment the transacting citizen/client enters the queue or fills out a form, and the waiting time incurred until the service has been completed/delivered.

The information above shall serve as the baseline data for each service/process. Departments/agencies should aim to achieve the following improvements for each of their critical services/processes:

- a. Reduction in the number of signatures to not more than three (3);
- b. Simplification of application forms or documentary requirements; and
- c. 50% reduction in the turnaround time and completion of the transaction within 15 days.

Departments/agencies shall declare the bureaus/offices/delivery units responsible for the delivery and completion of each critical service. Every bureau/office/delivery unit should be declared in at least one (1) of the critical services, or other key processes performed by the department/agency. The details of the performance of bureaus/offices/delivery units shall be reported using the Modified Form A1 (*See Annex 3B*). The declaration of responsible bureaus/offices/delivery units for each critical service or other key processes shall provide performance data as basis in the ranking of each delivery unit. *See also Section 6.7 and 8.1.*

In the event the department/agency is unable to achieve the targets they set in this section, they shall provide justifications/explanations using the "Remarks" column. The acceptance of explanation shall be subject to the review and recommendation of the validating agency.

- 6.2 **Citizen/Client Satisfaction.** In order to determine the effectiveness of the streamlining and process improvements initiated by agencies, the satisfaction level of the citizens/clients will be measured and reported. Thus, agencies should embed feedback mechanisms and citizen/client satisfaction measurement in their process improvement efforts. Agencies shall report the results of the Citizen/Client Satisfaction Survey for each service.

The description of the methodology of the survey, and the agency improvement action plan for FY 2019 shall be submitted using Citizen/Client Satisfaction Report (*See Annex 4*).

GOCCs covered by RA No. 10149 will report the results of client/customer satisfaction survey based on the standard methodology and corresponding questionnaire prescribed by the GCG.

The DAP will be conducting training fora to assist the agencies in these streamlining and process improvement efforts. The AO 25 Secretariat can be contacted for the schedule of these trainings.

- 6.3 **STO Target. Initial certification/Recertification of the QMS for at least one (1) core process or frontline service as mandated under its existing pertinent laws.**

For the ISO 9001:2015 QMS certification, it must be issued by any of the certification bodies (CBs) accredited by the International Accreditation Forum (IAF) members. Preferably, the CB is accredited by the Philippine Accreditation Bureau under the Department of Trade and Industry, which is the Philippine Accreditation Body of the IAF. ISO 9001:2015 QMS equivalent certifications/attestations granted by similar internationally recognized bodies promoting Total Quality Management (TQM) shall be considered, e.g. Philippine Quality Award, ISO/IEC 17025, ISO 17020, and Omentum Accreditation Canada.

The certification must be valid until December 31, 2018 or a later date, and must be posted in the agency TS page not later than December 31, 2018. A certified-true copy of the Agency's QMS Certificate/s shall be submitted to the Government Quality Management Committee (GQMC), through the DBM Secretariat – Systems and Productivity Improvement Bureau, immediately after obtaining a QMS Certificate or Recertification not later than December 31, 2018, for verification purposes.

For frontline agencies, it is expected that the core process pertains to an agency process most demanded by citizens and business and targeted for improvement under Sections 6.1 and 6.2 above.

6.4 GASS Targets. The common GASS targets shall include the following:

- a. **Budget Utilization Rate (BUR)**, which shall consist of:
 - 1) **Obligations BUR** computed as obligation rates for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) of all programs, activities, and projects funded in FY 2018 from all appropriation sources, including those released under the General Appropriations Act as the allotment order policy, net of savings from procurement, and implementation of cost-cutting measures; and
 - 2) **Disbursements BUR** which is measured by the ratio of total disbursements (cash and non-cash, excluding Personnel Services) to total obligations for MOOE and CO in FY 2018, net of goods and services obligated by December 31, 2018 but accounts payable and not yet due and demandable on the said date.
 - 3) BUR for GOCCs is computed as follows:

$$\text{Obligations BUR} = \text{Total Obligations} / \text{DBM Approved Corporate Operating Budget (both net of Personnel Services)}$$

$$\text{Disbursement BUR} = \text{Total Actual Disbursement} / \text{Total Actual obligations (both net of Personnel Services)}$$
 - 4) BUR for SUCs is computed as follows:
 - i. **Obligations and Disbursements BUR** will be the same as those for department/agencies.
 - ii. Because all income of the SUCs (e.g. trust funds, internally generated income, and revolving funds) should benefit and improve the SUCs operations, its Obligations and Disbursements utilization rates will also be reported following the reporting format in *Annex 5: FY 2018 GAA Accomplishments and BUR Form for SUCs*.
- b. **Sustained Compliance with Audit Findings.** Fully implement 30% of the prior years' audit recommendations as shown in the Report on Status of Implementation of Prior Years' Recommendations. These recommendations will exclude the Property, Plant and Equipment (PPE)-related items of the Annual Audit Report (AAR). Audit findings closed in FY 2017 should also not recur. The objective is to improve the agency's internal control processes, enhance operational effectiveness, and eliminate, resolve and remedy most, if not all, of the agency audit findings, by the end of 2020.
- c. **Compliance with Quarterly Submission of Budget and Financial Accountability Reports (BFARs) Online Using the DBM's Unified Reporting System (URS)** 15 days after end of each quarter, as provided in Section 95 of the FY 2018 GAA.
- d. **Submission of Annual Procurement Plan (APP-non CSE)** approved by the Head of Procuring Entity (HOPE) to the Government Procurement Policy Board (GPPB) in the format prescribed under GPPB Circular No. 07-2015 by posting it in the agency TS.

- 1) **FY 2018 APP-non CSE** should have been submitted to the GPPB-TSO on January 31, 2018 per Section 7.3.5 of the 2016 Revised Implementing Rules and Regulations of RA No. 9184. The same should be posted on the agency TS page on not later than one month after the issuance of this Circular.
- 2) To support Early Procurement, the **Indicative FY 2019 APP-non CSE consistent with the FY 2019 National Expenditure Program (NEP)** should be posted on the agency TS page not later than August 31, 2018.

The APP non-CSE submissions must indicate: "APP for CY <Year> of <Complete Name of Head Office / Agency><Regions _ to _, if applicable> for PBB" in the subject line. The list of agencies complying with the APP submission requirement shall be posted in the GPPB website (www.gppb.gov.ph).

- e. **Submission of FY 2019 Annual Procurement Plan-Common-Use Supplies and Equipment (FY 2019 APP-CSE)** to the DBM-Procurement Service on or before August 31, 2018 in the prescribed format by DBM-PS. The same should be posted in the agency TS page not later than August 31, 2018.
- f. **Undertaking of Early Procurement for at least 50% of the value of goods and services based on the department's/agency's budget submitted to the Congress consistent with the NEP.** In transitioning towards annual cash-based budgeting, departments/agencies should subject at least 50% of the volume of their goods and services requirements for the FY 2019 operations to Early Procurement, short of award, from September to December 2018. Departments/Agencies should update their PhilGEPS postings for Early Procurement by posting the Approved Contract and Notice to Proceed in PhilGEPS on or before January 31, 2019. DBM shall soon be issuing a Budget Circular on this.
- g. **Submission of results of FY 2017 Agency Procurement Compliance and Performance Indicators (APCPI) System**, per GPPB Resolution No. 10-2012, complete with the following forms: (1) APCPI - Self-Assessment Form; (2) APCPI - Consolidated Procurement Monitoring Report; (3) APCPI - Procurement Capacity Development Action Plan; and the Questionnaire on or before August 31, 2018. The APCPI Tool may be downloaded from the GPPB website using this link: <http://www.gppb.gov.ph/apcpi/apcpi.html>. Submit either in electronic (Excel) format through apcpi@gppb.gov.ph indicating: "2017 APCPI Initial Results of <Complete Name of Head Office / Agency> for PBB" in the subject line; or printed (signed) copies hand carried/mailed through the GPPB-TSO front desk. The list of agencies complying with the APCPI requirement shall be posted in the GPPB website (www.gppb.gov.ph).

6.5 Other cross-cutting requirements. The AO 25 IATF sets the following cross-cutting requirements:

- a. **Establishment and Conduct of Agency Review and Compliance Procedure of SALN** pursuant to Section 10 of the Code of Conduct and Ethical Standards for Public Officials and Employees (RA No. 6713), and CSC Resolutions Nos. 1300455 and 1500088. Each department/agency shall have a SALN Review and Compliance Committee to implement the provisions on reviewing and complying with SALN requirements to determine whether said statements have been submitted on time, are complete, and are in proper form.

Agency heads should ensure that officials and employees covered by RA No. 6713 submitted their 2018 SALN to the respective SALN repository agencies, as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015. The Agency Review and Compliance Procedure of SALN used by the department's/agency's SALN Review and Compliance Committee should be cascaded to all employees. The scanned copy of the same shall be uploaded in the agency TS page not later than October 1, 2018. See also Section 7.11, 7.14 and 11.3 on SALN requirement.

- b. **Comply with the Freedom of Information (FOI) Program** pursuant to Executive Order No. 2, s. 2016, based on the enhanced requirements of the Presidential Communications Operations Office (PCOO). Agencies should comply to the following FOI requirements within the set deadline:

- 1) The People's FOI Manual duly signed by the Head of the Agency and uploaded in the agency TS page on or before September 30, 2018;
- 2) The Agency Information Inventory uploaded in the agency TS page on or before September 30, 2018;
- 3) The 2017 and 2018 FOI Summary Report uploaded in the agency TS page on or before January 31, 2019;
- 4) The 2017 and 2018 FOI Registry uploaded in the agency TS page on or before January 31, 2019; and,
- 5) A screenshot of the agency website's home page containing a visible and functional FOI logo linked to the electronic FOI portal (www.foi.gov.ph) submitted through email: foipco@gmail.com on or before September 30, 2018.

Agencies should submit the accomplished FOI Reports strictly in Excel format (.xls) based on templates provided in this link: www.bit.ly/2018FOIReports. Submissions not compliant to the file format and templates will not be considered. All agencies including those already onboard the eFOI portal, are required to send the soft copy submissions to foipco@gmail.com. Policy issuances and memoranda can be accessed in this link: www.foi.gov.ph/resources.

- 6.6 In case a department/agency is not able to meet any of the above performance targets, the Department Secretary/Head of Agency should submit the justifications/explanations and supporting documents to warrant reconsideration. For validation purposes, justifiable reasons are factors that are considered outside the control of the agency. Acceptance of justifications/explanations shall be subject to the recommendation of validating agencies.
- 6.7 To reinforce fairness in the assessment of the performance of each delivery unit under operations with those under support services, departments/agencies should also declare critical services provided to internal units/employees performed by the latter delivery units. Doing so will strengthen the accountability of every delivery unit in streamlining and improving their processes and services to citizens/clients, and internal units/employees. Likewise, it will also provide performance data to support the equitable ranking of each delivery unit. Departments/Agencies shall also report applicable baseline information enumerated in Section 6.1 and 6.2.

7.0 ELIGIBILITY OF INDIVIDUALS

- 7.1 Department Secretaries, Heads of Other Executive Offices, Chairpersons and Commissioners of Constitutional Offices, Heads of Attached Agencies, Presidents of SUCs, and non-ex officio Heads of GOCCs covered by DBM are eligible only if their respective departments/agencies/institutions are eligible. If eligible, their maximum PBB rate for FY 2018 shall be equivalent to 65% of their monthly basic salary as of December 31, 2018. They should not be included in the Form 1-Report on Ranking of Delivery Units.
- 7.2 Non-ex officio Board Members of GOCCs covered by DBM may be eligible to a rate equivalent to 65% of the monthly basic salary of the highest corporate official of the GOCC concerned subject to the following conditions:
 - a. The GOCC has qualified for the grant of the FY 2018 PBB;
 - b. The Board Member has 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary;
 - c. The Board Member has nine (9) months aggregate service in the position; and
 - d. The GOCC has submitted the appropriate annual Board-approved Corporate Operating Budget (COB) to DBM in accordance with the Corporate Budget Circular No. 22 dated December 1, 2016.
- 7.3 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) or the requirement prescribed by the CESB.

- 7.4 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.
- 7.5 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.
- 7.6 Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB, shall be rated by the agency where he/she served the longest; the official/employee shall be eligible for the grant of PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in Section 7.8.
- 7.7 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 to the full grant of the PBB.
- 7.8 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 for the grant of PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

LENGTH OF SERVICES	% OF PBB
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-rata basis:

- a. Being a newly hired employee;
 - 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;
 - h. Sabbatical Leave
- 7.9 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.
- 7.10 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2018 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.
- 7.11 Officials and employees who failed to submit the 2017 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY 2018 PBB.
- 7.12 Officials and employees who failed to liquidate all cash advances received in FY 2018 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 2018 PBB.
- 7.13 Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2018 PBB.

- 7.14 Agency heads should ensure that officials and employees covered by RA No. 6713 submitted their 2017 SALN to the respective SALN repository agencies, liquidated their FY 2018 Cash Advances, or completed the SPMS Forms, as these will be the basis for the release of FY 2018 PBB to individuals.
- 7.15 Officials and employees responsible for the implementation of the prior years' audit recommendations, QMS certification, or posting and dissemination of the department/agency system of ranking performance of delivery units, shall not be entitled to the FY 2018 PBB if the Department/Agency fails to comply with any of these requirements.

8.0 RANKING OF DELIVERY UNITS

- 8.1 Departments/Agencies and their corresponding offices/delivery units that meet the criteria and conditions in Section 4.0 are eligible to the FY 2018 PBB. Bureaus, offices or delivery units eligible to the PBB shall be forced ranked according to the following categories:

RANKING	PERFORMANCE CATEGORY
Top 10%	Best Delivery Units
Next 25%	Better Delivery Units
Next 65%	Good Delivery Units

The declarations of responsible bureaus/offices/delivery units in the completion of each critical service or other key processes shall be the basis for equitable performance ranking of delivery units. The resulting ranking of bureaus/offices/delivery units shall be indicated in the *Annex 7: Form 1- Report on Ranking of Delivery Units*.

- 8.2 When identifying and determining delivery units, departments/agencies must be guided by the Master List of Departments/Agencies and Prescribed Delivery Units per Department/Agency (*See Annex 1*).
- a. A delivery unit is the primary subdivision of the department/agency performing substantive line functions, technical services or administrative support, as reflected in the Department's/Agency's organizational structure/functional chart.

The identification of a delivery unit will depend on the type of government entity, with due consideration to its mandate, organizational level, and scope of operations, as follows:

TYPE OF GOVERNMENT ENTITY	DELIVERY UNITS
Department or Department-Level	<ul style="list-style-type: none"> Offices Bureaus Services Regional Offices, if any
Agency	Intermediate Level <ul style="list-style-type: none"> Offices Bureaus Services Regional/Field Units, if any
	Division Level <ul style="list-style-type: none"> Divisions Field Units, if any
State University or College	<ul style="list-style-type: none"> Offices Services Campuses Colleges
GOCC	<ul style="list-style-type: none"> Offices Departments

- b. For purposes of this Circular, agencies attached to a department or department-level entity shall be treated as an agency separate from its parent department and shall have a separate ranking of delivery units.
 - c. To facilitate the ranking of delivery units, agencies may group or cluster the delivery units based on similarities of tasks and responsibilities for purposes of evaluating and ranking group and individual performance, provided that the resulting ranking distribution shall be in accordance with Section 8.1.
- 8.3 Only the personnel belonging to eligible delivery units are qualified for the PBB. Refer also to exclusion of individuals as cited in Section 7. While individual ranking shall be the basis for merit increase, promotion, further training and/or disciplinary action, individual ranking shall no longer be included in the Form 1 (See Annex 7).
- 8.4 To recognize high performance of government employees in relation to the achievement of agency targets and requirements for the grant of the FY 2018 PBB, departments/agencies shall list the names of employees who belong in the Best Delivery Unit/s using the Form 1 (See Annex 7).
- 8.5 The GCG, the LWUA, the DILG, and the DepEd shall issue pertinent Guidelines on the ranking of delivery units for GOCCs covered by GCG, LWDs, LGUs, and DepEd Delivery Units respectively.
- 8.6 To heighten transparency among delivery units and employees, departments/agencies shall cascade to their employees the agency guidelines/mechanics in ranking delivery units for the grant of the FY 2018 PBB. Departments/Agencies shall prepare the System of Agency Ranking Delivery Units for FY 2018 PBB using the Form for the Guidelines/Mechanics in Ranking Delivery Units (See Annex 8). The duly completed and signed agency guidelines in ranking delivery units shall be posted on the agency TS page on or before October 1, 2018.

9.0 RATES OF THE PBB

- 9.1 The rates of the PBB for each individual shall be based on the performance ranking of the individual's bureau or delivery unit with the rate of incentive as a multiple of one's monthly basic salary as of December 31, 2018, based on the table below:

PERFORMANCE CATEGORY	MULTIPLE OF BASIC SALARY
Best Delivery Unit	0.65
Better Delivery Unit	0.575
Good Delivery Unit	0.50

10.0 SUBMISSION OF REPORTS

- 10.1 Departments/Agencies should submit FY 2018 accomplishments using the Modified Form A-Department/Agency Performance Report, Modified Form A1-Details of Bureau/Office Performance Report, Citizen/Client Satisfaction Report, Form 1 and the PBB Evaluation Matrix. They should submit duly completed and signed forms and reports to the IATF (two hard copies and e-copy of Modified Form A-Department/Agency Performance Report, Modified Form A1-Details of Bureau/Office Performance Report, Citizen/Client Satisfaction Report, Form 1 and other supporting documents) through the AO 25 Secretariat which shall endorse copies to the oversight/validating agencies for review/evaluation. All forms and reports should be signed by the agency head or the duly designated official.
- 10.2 Submission of agency physical accomplishments and other requirements will be until February 28, 2019 for small agencies, and August 31, 2019 for big departments following the review schedule of the IATF under MC 2017-4, dated December 21, 2017. Agencies shall ensure that all explanations and justifications are already attached to their submission.

- 10.3 The COA Audit Team Leaders shall verify/monitor compliance of their respective agencies with the audit recommendations shown in the Status of Implementation of Prior Years' Audit Recommendations in the Annual Audit Report/Management Letter and submit a report thereon, to the concerned Supervising Auditor (SA). The SA will then prepare a summary report for submission to the concerned Cluster Director. Based on the reports submitted by the SAs, the Cluster Director shall submit to the IATF Secretariat, copy furnished the Sector Head and RMBO, PFMS, both of COA, a Summary List of Agencies that complied with the required minimum 30% full implementation of audit recommendations.
- 10.4 Results of the validation showing non-compliant agencies shall be posted in the RBPMS website. The IATF shall conduct spot-checks to validate claims and certifications made by departments/agencies.
- 10.5 The Department of Education shall have the same implementation timeline of GGCs, Physical Targets, STO and GASS targets as indicated in Section 10.6.
- 10.6 The AO 25 IATF sets the following implementation timeline for the FY 2018 PBB.

REQUIREMENTS	VALIDATING AGENCY	DEADLINE OF SUBMISSION	START OF VALIDATION
Physical Targets			
Operations			
1. Streamlining and Process Improvement of Agency Services	Composite Team from AO 25 IATF agencies	February 28, 2019 (small agencies) August 31, 2019 (big agencies)	March 1, 2019 (small agencies) September 1, 2019 (big agencies)
2. Citizen/Client Satisfaction <ul style="list-style-type: none"> Departments OEOs GOCCs covered by DBM GOCCs covered by RA 10149 SUCs LWDs 	Composite Team from AO 25 IATF agencies	February 28, 2019 (small agencies) August 31, 2019 (big agencies)	March 1, 2019 (small agencies) September 1, 2019 (big agencies)
3. Physical Targets for the following: <ul style="list-style-type: none"> SUCs (<i>See Annex 5</i>) GOCCs covered by RA 10149 LWDs LGUs 	CHED GCG LWUA DILG	February 28, 2019 Based on GCG timeline February 28, 2019 February 28, 2019	March 1, 2019 Based on GCG timeline March 1, 2019 March 1, 2019
Support to Operations (STO)			
1. QMS Certification <ul style="list-style-type: none"> Post QMS Certification in TS page Submit certified true copy of QMS certificate to GQMC through DBM-SPIB 	GQMC	December 31, 2018	From January 1 to 31, 2019
General Administration and Support Services (GASS)			
1. BUR <ul style="list-style-type: none"> Departments, OEOs and GOCCs covered by DBM SUCs (<i>See Annex 5</i>) 	DBM-BMBs concerned DBM Regional Offices and DBM-BMB-F	February 28, 2019 (small agencies) August 31, 2019 (big agencies)	March 1, 2019 (small agencies) September 1, 2019 (big agencies)
2. Sustained Compliance with Audit Findings	COA	December 31, 2018	December 31, 2018
3. Submission of BFARs online through the URS <ul style="list-style-type: none"> First Quarter Second Quarter Third Quarter Fourth Quarter 	DBM and COA	April 15, 2018 July 15, 2018 October 15, 2018 January 15, 2019	April 15, 2018 July 15, 2018 October 15, 2018 January 15, 2019

REQUIREMENTS	VALIDATING AGENCY	DEADLINE OF SUBMISSION	START OF VALIDATION
4. COA Financial Reports <ul style="list-style-type: none"> Small Agencies Big Agencies 	COA	March 30, 2018 April 30, 2018	March 30, 2018 April 30, 2018
5. Procurement Documents <ul style="list-style-type: none"> FY 2018 APP-non CSE Indicative FY 2019 APP-non CSE FY 2019 APP-CSE Undertaking of Early Procurement for at least 50% of goods and services Results of FY 2017 APCPI System 	GPPB-TSO GPPB-TSO DBM-PS GPPB-TSO GPPB-TSO	January 31, 2018 August 31, 2018 August 31, 2018 January 31, 2019 August 31, 2018	One (1) month after the issuance of resolution August 31, 2018 August 31, 2018 January 31, 2019 August 31, 2018
Good Governance Conditions			
1. Transparency Seal	DBM-OCIO	October 1, 2018	October 1, 2018
2. PhilGEPS Posting (transactions above P1,000,000 and with December 31, 2018 as cut-off), including the Early Procurement of FY 2019 Non-CSE items.	PhilGEPS	January 31, 2019	February 1, 2019
3. Citizen's/Service Charter <ul style="list-style-type: none"> Certificate of Compliance (CoC) pursuant to CSC MC No. 14, s. 2017 	CSC	August 1, 2018	August 1, 2018
Other cross-cutting requirements			
1. Submission of SALN of employees	Office of the President, Ombudsman, CSC	April 30, 2018	April 30, 2018
2. Agency Review and Compliance Procedure of Statement and Financial Disclosures. <i>Note: Departments/Agencies shall submit a list of SALN non-filers using Form 1.</i>	CSC	October 1, 2018	October 1, 2018
3. FOI Compliance <ul style="list-style-type: none"> People's FOI Manual Agency Information Inventory 2017 and 2018 FOI Summary Report 2017 and 2018 FOI Registry Screenshot of agency's home page 	PCOO	September 30, 2018 September 30, 2018 January 31, 2019 January 31, 2019 September 30, 2018	September 30, 2018 September 30, 2018 September 30, 2018 January 31, 2019 January 31, 2019 September 30, 2018
4. Posting of Agency's System Ranking Delivery Units	DAP	October 1, 2018	October 1, 2018
5. Submission of Agency Report on Ranking of Delivery Units (Form 1 and PBB Evaluation Matrix) <ul style="list-style-type: none"> Departments OEOs GOCCs covered by DBM SUCs LWDs 	DBM-BMBs DBM-BMBs and DBM-NCR DBM-BMB-C DBM-RO and DBM-BMB-F LWUA and DBM-BMB-C	February 28, 2019 (small agencies) August 31, 2019 (big agencies)	March 1, 2019 (small agencies) September 1, 2019 (big agencies)

11.0 EFFECTS OF NON-COMPLIANCE

- 11.1 For FY 2018, agencies that are unable to comply with all the Good Governance Conditions shall be considered ineligible for the FY 2018 PBB.
- 11.2 Agencies that are unable to comply with Performance Targets shall be considered ineligible for the FY 2018 PBB.
- 11.3 In the event the AO 25 IATF conducted random check of submitted SALN of employees and found non-compliance with the guidelines prescribed by the CSC and the posted Review and Compliance Procedure of the concerned department/agency, such incident could be a cause to disqualify the department/agency in the succeeding cycle of the PBB.
- 11.4 **Prohibited Acts:** A Department/Agency/GOCC/LWD/LGU, which, after due process by the oversight agency has been determined to have committed the following prohibited acts, shall be disqualified from the PBB in the succeeding year of its implementation. Moreover, the CSC or Ombudsman shall file the appropriate administrative case:
 - a. Misrepresentation in the submitted reports required for the PBB, commission of fraud in the payment of the PBB and violation of the provisions of this Circular; and
 - b. Evenly distributing PBB among employees in an agency, in violation of the policy of paying the PBB based on the ranking of delivery units.

12.0 FEEDBACK AND CHANGE MANAGEMENT

- 12.1 Department Secretaries/Head of Agencies with the support of their Performance Management Groups should enhance the implementation of their internal communications strategy on PBIS, and fulfill the following:
 - a. Engage their respective employees in understanding the PBIS, the performance targets of their respective departments/agencies, as well as the services and outputs that they will need to deliver in order to meet these targets.
 - b. Disseminate the performance targets and accomplishments of their departments/agencies to their employees through the intranet and other means, as well as publish these on their respective websites for the public's information.
 - c. Set up a Help Desk to respond to queries and comments on the targets and accomplishments of their departments/agencies. The Help Desk may be a facility that is embedded in the respective websites of departments/agencies.
 - d. Set up a Complaints Mechanism to respond to the PBIS-related issues and concerns raised by officials and employees of their respective departments/agencies. Such may be incorporated in the functions of their Grievance Committee.
- 12.2 The Department Secretary/Head of Agency shall designate a senior official who shall serve as a PBB focal person. The offices responsible for the performance management may be tasked to provide secretariat support to the PMG and to recommend strategies to instill a culture of performance within the Department/Agency.

13.0 INFORMATION AND COMMUNICATION

- 13.1 The Department Secretary/Head of Agency shall confirm with the IATF the name, position and contact details (e-mail, landline, facsimile, cellular phone) of the senior officials designated as the PBB focal person and the spokesperson, respectively.
- 13.2 Departments/Agencies should strengthen their communications strategy and ensure transparency and accountability in the implementation of the PBB.

- 13.3 The IATF shall maintain the following communication channels:
- a. AO 25 Secretariat at ao25secretariat@dap.edu.ph
 - b. RBPMS website www.dap.edu.ph/rbpms
 - c. Telephone: (02) 400-1469, (02) 400-1490, (02) 400-1582
 - d. Facebook: www.facebook.com/PBBsecretariat
 - e. Twitter: [@pbbsecretariat](https://twitter.com/pbbsecretariat)

14.0 APPLICABILITY TO THE CONSTITUTIONAL BODIES, LEGISLATIVE AND JUDICIAL BRANCHES

Congress, The Judiciary, Constitutional Commissions, and the Office of the Ombudsman are encouraged to follow these guidelines to be eligible to the Performance-Based Bonus.

15.0 EFFECTIVITY

This Circular shall take effect immediately.

S. C. L.
BENJAMIN E. DIOKNO
Secretary, Department of Budget and Management
and Chairman, AO 25 Inter-Agency Task Force *BP*

