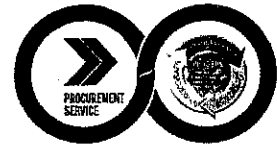




Republic of the Philippines
Department of Budget and Management
PROCUREMENT SERVICE

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OFFICE ORDER NO: 099-18

Subject: Internal Guidelines on the Grant of the CY 2017 Performance-Based Bonus (PBB) including the Process and Criteria on Ranking of Eligible Procurement Service (PS) Delivery Units (DUs)

Date: July 12, 2018

1.0 PURPOSE

In the interest of the service and pursuant to Memorandum Circular (MC) No. 2017-1, dated March 9, 2017 issued by the Inter-Agency Task Force (IATF) on AO 25, the guidelines on the grant of the Performance-Based Bonus (PBB) for CY 2017 in the Procurement Service (PS) is hereby issued for the following purposes:

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

2.0 COVERAGE

- 2.1 All delivery units (DUs) of the PS;

2.2 All officials and employees of the DUs of the PS holding regular or contractual plantilla positions or those occupying positions in the PS – approved contractual staffing pattern.

3.0 CY 2017 REQUIREMENTS FOR THE GRANT OF PBB:

Consistent with Item 4.0 of the AO 25 IATF MC of the following requirements/conditions must be satisfied by the PS to be eligible for PBB:

3.1 Achieve performance targets under the following commitments:

3.1.1 Major Final Outputs (MFOs) Achieve each one of the PS - approved performance targets for the delivery of MFOs

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

3.1.2.1 Establishment of one of the following, as applicable to the DBM-PS:

a. Quality Management System (QMS) for at least one (1) core process certified by an international certifying body duly accredited by the Philippine Accreditation Bureau of the Department of Trade and Industry, certification of which must be valid until December 31, 2017 or later date and which must be posted in the PS Transparency Seal.

b. At least an ISO-aligned documentation of its QMS for one(1) core process as evidenced by the presence of the following documents in the PS Transparency Seal:

i. Approved Quality Manual; and

ii. Approved Procedures and Work Instructions Manual including Forms

3.1.2.2 The second STO target identified in accordance with the priorities of the PS/Agency Head.

3.1.3 The Common General Administration and Support Service (GASS) targets where applicable to the PS, as follows:

3.1.3.1 Budget Utilization Rate (BUR)

a. Obligations BUR computed as obligations against all allotments *still effective* in CY 2017, both continuing and current year from all appropriation sources, released under the "GAA as the allotment order" policy for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) in CY 2017; and

b. Disbursement BUR measured by the ratio of total disbursement (cash or no-cash, excluding Personnel Services) to total obligations

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for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays in CY 2017.

3.1.3.2 Compliance to the Public Financial Management (PFM) reporting requirements of the Commission on Audit (COA) and the DBM in accordance with the prescribed content and period of submission under existing laws, rules and regulations, including the following:

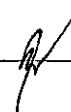
- a. Budget and Financial Accountability Report (BFARs) ✓
- b. Report on Ageing of Cash Advances; ✓
- c. COA Financial Reports (Statement of Financial Position; Statement of Financial Performance; Statement of Changes in Net Assets/ Equities; Statement of Cash Flows; Statement of Comparison of Budget and Actual Amount; and Notes to Financial Statements) per COA Resolution No. 2014-003.

3.1.3.3 Adoption and use of the 2016 Agency Procurement Compliance and Performance Indicators (APCPI) System per Government Procurement Policy Board (GPPB) Resolution No. 10-2012 as applicable to the PS, by meeting the following requirements:

- a. Submission of the 2016 APCPI results, complete with the following accomplished forms/annexes: (1) Annex A or the Self-Assessment Form; (2) Annex B or the Consolidated Procurement Monitoring Report; (3) Annex D or the Procurement Capacity Development Action Plan; and the Questionnaire. The APCPI Tool may be downloaded from the GPPB website using the link: <http://www.gppb.gov.ph/apcpi.html>
- b. The APCPI results must be submitted in electronic (Excel) format and printed (signed) copies on or before December 1, 2017, either electronically through monitoring@gppb.gov.ph or hand carried/mailed through the GPPB-TSO front desk.
- c. The APCPI submitted through electronic means (i.e., e-mail) must indicate **"2016 APCPI Initial Results of Procurement Service for PBB"** in subject line.
- d. Timely submission of the APCPI and compliance with the prescribed format shall be mandatory

3.1.3.4 Submission to the Government Procurement Policy Board-Technical Support Office (GPPB-TSO) of the Annual Procurement Plan (APP) for CY 2017 approved by the Head of the Procuring Entity within one(1) month from issuance of the IATF M.C. No. 2016-1.

- a. A scanned copy of the APP may be sent to GPPB-TSO's email: monitoring@gppb.gov.ph with the subject line: **"APP for 2017 of the Procurement Service (PS) for PBB."**



- b. Timely submission of the APP, as well as strict compliance with the prescribed format under GPPB Circular No. 07-2015 dated July 16, 2015.
- 3.2 Satisfy 100% of the Good Governance Conditions set by the AO 25 IATF based on the performance drivers of the Result-Based Performance Management System (RBPMS), as follows:
 - 3.2.1 Maintain/Update the Agency Transparency Seal in accordance with Section 99 of R.A. 10717 and as provided in Annex 5 of AO 25 IATF MC no. 2017-1;
 - 3.2.2 Maintain/Update the PhilGEPS posting per Revised Implementing Rules and Regulations (IRR) of RA 9184 (Government Procurement Reform Act); and
 - 3.2.3 Maintain/Update the Citizen's Charter or its equivalent in accordance with RA 9485 (Anti Red Tape Act)

The Certificates of Compliance for Transparency Seal, Citizen's Charter and PhilGEPS posting will no longer be submitted to the DBM-OCIO, CSC and PhilGEPS, respectively. In lieu thereof, the AO 25 Secretariat, CSC and PS shall conduct compliance validation of the aforementioned requirements starting October 1, 2017.
- 3.3 Use of the following individual performance rating:
 - 3.3.1 CSC-approved Strategic Performance Management System (SPMS) for first and second level employees, as well as, other officials holding/performing managerial and executive functions who are not Presidential appointees;
 - 3.3.2 Career Executive Service Performance Evaluation System (CESPES) for CES officials and incumbents of CES positions; (if applicable)
- 3.4 In case the PS is assessed to have deficiencies in meeting its performance commitment, the Agency Head may request for re-evaluation of the 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 those factors or issues which are considered outside the control of the agency.

4.0 ELIGIBILITY CRITERIA

- 4.1 The eligibility criteria for DUs of the DBM-PS and Individuals for the CY 2017 PBB grant shall follow a single-step system which means that the eligibility of personnel for the grant of PBB shall depend on the performance eligibility and performance category (i.e., Good, Better, Best) of their respective functional groups as defined by IATF AO 25 under Memorandum Circular No. 2017-1 dated March 9, 2017. Thus, if the functional group is eligible, it follows that the employees under that functional group are eligible, provided that the employees passed the eligibility criteria for individuals.

Eligibility Criteria for Dus

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4.2 DUs that meet the applicable requirements and conditions under item 3.0 of this Order shall be eligible for the grant of the CY 2017 PBB. A summary of the requirements is provided hereunder:

Requirement/Conditions for the Department	Responsible DUs	For Submission/Reporting to Coordinating Units
All target/PI in all MFOs as provided in the FY 2017 GAA STO Targets	DUs with identified MFO commitments	Corporate Planning & Business Development Division (CPBDD)
STO Targets		
<ul style="list-style-type: none"> 2 STO Targets 	DUs with no MFO commitments	CPBDD
<ul style="list-style-type: none"> QMS Certification (where applicable) 	Operations	CPBDD
GASS Targets		
<ul style="list-style-type: none"> BUR (where applicable) 	All DUs	Administrative and Finance Group (AFG)
<ul style="list-style-type: none"> PFM reporting requirements 	AFG	AFG
<ul style="list-style-type: none"> COA Financial Reports 	AFG	AFG
APCPI	Procurement Divisions	Procurement Group (PG)
CY 2017 APP	All DUs	AFG
Good Governance Conditions: Inputs to		
<ul style="list-style-type: none"> Transparency Seal (TS) 	All DUs	Various DUs concerned
<ul style="list-style-type: none"> PhilGEPS Posting 		PG
<ul style="list-style-type: none"> Citizen's Charter (CC) 		CPBDD
Use of SPMS forms (OPCR, IPCR and DPCR)	All DUs	AFG and CPBDD

4.3 Failure of the responsible DU to satisfy the set conditions/criteria and the targets may entail exclusion of the DUs concerned from the PBB ranking, and non-eligibility of its officials and staff to the PBB grant.

Unless otherwise specified by the IATF, PS Unit PMT shall have the final decision on the identification of units to be excluded and the implementation method/process/method/strategy to be adopted.

4.4 The Lead Coordinating Monitoring Units shall be tasked to monitor and gather the required documents for posting and/or for timely and complete submission of all inputs to, as well as, serve as focal units on matters pertaining to their respective PBB implementation assignments, to ensure that DUs shall be compliant to the aforesaid requirements and ready for the IATF validation.

Eligibility Criteria for Individuals

4.5 The following general performance criteria for individuals shall continue to be adhered to in order to be eligible for the PBB:

- 4.5.1 The eligibility of the PS Executive Director shall depend on the eligibility and performance of the PS – Office of the Executive Director (OED). His/Her PBB shall be based on his/her actual authorized monthly basic salary as of December 31, 2017. He/She shall not be included in the ranking and reporting of DUs but shall be provided a separate line under Form 1.0.

Performance of Procurement Service (PS)	PBB as % of Month Basic Salary
PS achieved all GGCs, and its physical targets in all MFOs, STO and GASS indicators	65%
PS achieved all GGCs, and has deficiency/ies in some of its physical target due to uncontrollable reasons	57.5%
PS Achieved all GGCs, and has deficiency in one of its physical targets due to controllable reasons.	50%

- 4.5.2 An official or employee who rendered a minimum uninterrupted period of nine (9) months of service in FY 2017 and with at least "Satisfactory" rating in both periods may be eligible to the full grant of the PBB.

4.5.2.1 Employees belonging to the first, second, and third level positions should receive a rating of at least "Satisfactory" based on the PS CSC-approved SPMS.

4.5.2.2 Other 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".

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

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

Length of Service	% 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%

- 4.5.3.1 The following are the valid reasons for an employee who may not meet the nine(9) month uninterrupted actual service requirement to be considered for PBB on a pro-rate basis:

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- 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

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

- 4.6 Only eligible personnel belonging to eligible DUs are qualified for the PBB. The PBB rates of individual employees shall depend on the performance ranking of DUs where they belong, based on the individual's monthly basic salary as of December 31, 2017 as, provided in Item No. 5.3 below, but not lower than P5,000.

Individuals Not Eligible for the FY 2017 PBB

- 4.7 The following employees shall not be eligible for PBB:

- 4.7.1 An official/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.
- 4.7.2 An official/employee found guilty of administrative and/or criminal cases filed against him/her and meted penalty in CY 2017 shall not be entitled to the PBB. IF the penalty meted out is only a reprimand, such penalty shall not cause the disqualification from the PBB.
- 4.7.3 Officials and employees who failed to submit their CY 2016 SALN prescribed in the rules provided under CSC Memorandum Circular No.3 (s. 2015) shall not be entitled to the CY 2017 PBB.
- 4.7.4 Officials and employees who failed to liquidate Cash Advances received in CY 2017 within the reglementary period as required by the commission on Audit (COA) shall not be entitled to the CY 2017 PBB.
- 4.7.5 Officials and employees who failed to submit their duly accomplished Individual Performance Accomplishment Report (IPAR) ratings to the Administrative Group – Human Resource Division (AFG-HRD) shall not be entitled to the FY 2017 PBB.

5.0 RANKING OF ELIGIBLE DELIVERY UNITS AND RATES FOR CY PBB

- 5.1 Eligible DUs shall be clustered/grouped in line with PS approved functional set-up and as defined by the AO 23 IATF under Memorandum Circular No. 2017 –1 dated March 9, 2017. Rating within group shall take into consideration, among others, the similarities and gravity of tasks and responsibilities of DUs under each Group.
- 5.2 DUs shall be rated using a Rating System within the following criteria and percentage score weights:

Criteria/Bases	Percentage Share to Total Score
Average accomplishment rating on MFOs, GASS and STO Targets	80%
Task Difficulty	20%
Total	100%

5.2.1 The criteria for task difficulty shall be agreed upon by the assigned Senior Officials per Group, taking into consideration the differing challenges faced by the respective DUs. It is intended to, among others, account for and make the rating and ranking of DUs reflective of the efforts given by the DUs concerned in contributing to the achievement of the Functional Group's accomplishment and PS total accomplishment, in general.

The Task Difficulty shall specifically account for:

- a. Intervening tasks that relate to performance of PS functions;
- b. OPCR commitments not captured in the computation of the MFO, GASS/STO performance; and
- c. Net of performance accomplishments not considered in the computation of the average performance in the MFO, GASS/STO.

The criteria and rating on Task Difficulty shall be reflected in the Rating and Ranking Form to be submitted by each PBB Group to the CPBDD.

5.3 The eligible DUs shall be forced **ranked**, as follows:

Ranking	Performance Category	PBB Grant as % of Monthly Basic Salary
Top 10%	Best Functional Group	65%
Next 25%	Better Functional Group	57.50%
Next 65%	Good Functional Group	50%

Based on the IATF prescribed percentage ranking distribution and the number of DUs (i.e., 36), the PS shall have the following number of entitled DUs per Performance Category.

Percentage Ranking Distribution	Performance Category	Computation	No. of PS DUs
Top 10%	Best Functional Group	$6 \times 0.10 = 0.6$	1
Next 25%	Better Functional Group	$6 \times 0.25 = 1.5$	1
Next 65%	Good Functional Group	$6 \times 0.65 = 3.9$	4
Total No. of PS B/S/Os			6

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- 5.4 The designated Raters/Senior Officials shall discuss the rating and ranking of the DUs under their group. Each of the Ranking and Rating Group shall designate at least one (1) technical staff to serve as Secretariat and record the proceedings of the meeting. The Secretariat shall prepare the Group's Minutes of Meeting for submission to the CPBDD together with the accomplished Ranked and Rating Sheet of the Group.
- 5.5 Any change made by the designated rater/senior officials in the rating criteria and corresponding percentage score weights as prescribed under this Guidelines; and/or computations in the accomplishments as reported by the CPBDD for the purpose of PBB Ranking and Rating, shall be reported and be subject to the review and approval of the PS Unit PMT prior to the implementation of rating and ranking DUs.
- 5.6 The resulting of DUs shall be indicated in Form 1.0 (Report on Ranking of Offices/Delivery Units.)

6.0 EFFECTS OF NON-COMPLIANCE/PROHIBITED ACTS

- 6.1 Non-compliance with all good governance conditions shall render the PS ineligible for the CY 2017 PBB.
- 6.2 **Prohibited Acts.** If the PS, after due process by the oversight agency, has been determined to have committed the following prohibited act, it shall be disqualified from the PBB in the **succeeding year** of its implementation without prejudice to CSC or Ombudsman may file appropriate administrative case:
 - 6.2.1 Misrepresentation in the submitted reports for the PBB, commission of fraud in the payment of the PBB and Violation of the AO 25 IATF Memorandum Circular No. 2017-1 and,
 - 6.2.2 Evenly distributing the PBB among employees in the department, in violation of the policy of paying the PBB based on the ranking of the DUs.

7.0 RESPONSIBILITIES OF PS OFFICES / INDIVIDUALS CONCERNED

7.1 Delivery Units (DUs)

- 7.1.1 At the end of the performance period, the DUs shall submit to their respective FGHS their accomplishments for the first and second semesters for purposes of performance evaluation, copy furnished CPBDD. The same shall be endorsed by their FGHS to the PS-Unit PMT, thru the Unit PMT Secretariat.
- 7.1.2 Ensure that the submitted PBB targets are harmonized with the commitments stated in their respective OPCR, and their submitted accomplishment reports are consistent with the Budget Accountability Report (BAR) No. 1 reflected and posted on the PS website.

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7.1.3 Concerned DUs shall comply and coordinate with the CPBDD relative to the requirement specified under the activities in Annex "A" hereof.

7.1.4 DUs concerned shall be ready at all times for spot checks that may be conducted by the IATF AO 25 to validate claims and certifications made by the PS.

7.2 Functional Group Heads (FGHs)

7.2.1 The Functional Group Heads (FGHs) shall convene to discuss the rating and ranking of the respective groups.

7.2.2 The FGHs shall timely submit to the CPBDD the accomplished rating and forced ranking report in time for the submission of Form A and A-1, to the AO 25 Secretariat. Rating and ranking shall be submitted to the CPBDD.

7.3 Administrative and Finance Group – Human Resource Division (AFG-HRD)

7.3.1 The AFG-HRD shall prepare the preliminary Form 1.0 (Report on Ranking of Offices/Delivery Units) and the number/list of personnel therein based on the submissions duly signed by the designated Raters of DUs for submission to the CPBDD in time for the submission to the IATF on or before January 15, 2018.

7.4 Corporate Planning and Business Development Division (CPBDD)

7.4.1 The CPBDD shall coordinate and monitor the PS compliance with PBB Forms A and A-1, based on the data provided by the Functional Groups (FGs) in their respective Accomplishments Report. These PBB Reports/Forms shall be submitted to the Unit PMT for evaluation.

7.4.2 Rating and Ranking of DUs received from FGH shall be forwarded to AFG-HRD for the preparation of the preliminary Form 1.0 (Report on Ranking of Offices/Delivery Units) for submission to the AO 25 IATF by the PS-Unit PMT through the CPBDD.

7.4.3 Upon approval of the PS Executive Director of Forms A, A-1 and 1.0, the said reports shall be submitted to the AO 25 IATF by the PS-Unit PMT through the CPBDD.

7.4.4 The CPBDD shall assist in the development and implementation of an internal communications strategy on the performance based on Incentive System (PBIS), as follows:

7.4.4.1 Disseminate the performance targets and accomplishments of the Procurement Service by posting the same on the PS website.

7.4.4.2 Act as Help Desk to respond to queries and comments on PS targets and accomplishments.

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7.5 Performance Management Team (PMT)

- 7.5.1 The PMT shall evaluate and assess the PBB Reports per initial evaluation of the CPBDD, and present the same to the PS Executive Committee/Mancom for approval. Upon approval, the same shall be submitted to the IATF through A.O. 25 Secretariat, subject to the rules on re-evaluation, as may be applicable.
- 7.5.2 The PMT shall lead efforts on the development and implementation of the internal communication strategy on PBIS.
- 7.5.3 The PMT shall act as Appeals Body and Final Arbiter for PBB matters.
- 7.5.4 The PMT shall oversee the implementation of these guidelines and issue necessary rules, regulations, policies, and directives, consistent with the IATF guidelines.
- 7.5.5 The PMT or its authorized/identified representatives shall endorse and submit all authorized PBB-related documents to the IATF through the CPBDD.

8.0 APPEALS

All Appeals relative to the implementation of the PS Grant of CY 2017 PBB shall follow the DBM, SPMS Guidelines, dated June 15, 2016.

9.0 DELEGATION OF AUTHORITY


The PS Unit PMT is hereby authorized to issue necessary rules, regulations, policies, and directives relative to the grant of the PBB which are consistent with the AO 25 IATF guidelines.

10.0 AMENDMENTS

All other Orders or provisions thereof inconsistent and contrary to this Order or its provisions are hereby superseded, rescinded and/or amended accordingly. This shall not, however, preclude the PS Executive Director from reviewing, revising and amending provisions of this Order.

11.0 EFFECTIVITY

This Office Order shall take effect immediately.


BINGLE B. GUTIERREZ
Executive Director

