



**THE PROCUREMENT SERVICE -
DEPARTMENT OF BUDGET AND MANAGEMENT (PS-DBM)
MECHANICS IN RANKING OFFICES/DELIVERY UNITS
FOR THE GRANT OF THE FY 2021 PERFORMANCE-BASED BONUS
(PBB)**

1.0 Purpose

The process of rating and ranking of delivery units and individuals in the Procurement Service – Department of Budget and Management (PS-DBM) shall follow the same criteria and conditions for FY 2021 PBB as provided in the AO 25 Inter-Agency Task Force (IATF) Memorandum Circular No. 2021-1 dated June 3, 2021 and help PS-DBM achieve the mission-critical objectives and expected outcomes of the agency.

2.0 Coverage

- 2.1** All delivery units of the PS at the main office, PhilGEPS and regional depots.
- 2.2** All officials and personnel holding contractual positions, individuals engaged without employer-employee relationship with the PS-DBM are excluded.

3.0 Eligibility Criteria

The PS must satisfy the criteria and conditions under the four dimensions of accountability: **Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results** and attain a total score of at least 70 points based on the PBB Scoring System which will be discussed in detail in Section 4.0.

- 3.1** Performance Results refer to the accomplishment of the Department of Budget and Management (DBM) PS-DBM Office Performance Commitment and Review (OPCR) aligned with the FY 2020-2022 DBM SPMR. Considering that PS-DBM does not receive budgetary support from the National Government, particularly in the Fiscal Year (2021) GAA. The Revolving Fund of the agency is being used for its operating requirements as authorized under Letter of Instructions No. 755.
- 3.2** Process Results refer to the achievements in ease of doing business/ease of transaction with the agency as a result of streamlining, standardization i.e., through the ISO-certified QMS

or its equivalent, digitization, and related improvements in the delivery of services.

- 3.3 Financial Results refer to the actual spending of the agency's budget allotment vis-à-vis the realization of the committed programs and projects based on the PS-DBM-approved FY 2021 Budget.
- 3.4 Citizen/Client Satisfaction Results refer to the achievements in satisfying the quality expectations of the transacting public.

For FY 2021, the GGCs shall no longer be required in determining the overall PBB eligibility of the agency. Nonetheless, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals.

4.0 FY 2021 PBB TARGETS, ASSESSMENT, AND SCORING SYSTEM

The agency accomplishments for each of the criteria shall be rated using a scale of 1 to 5 (where 5 is the highest). Each criterion has an assigned weight, as shown in Table 1. The maximum score that may be obtained by the agency is 100 points. To be eligible for the FY 2021 PBB, the agency must attain a total score of at least 70 points.

| CRITERIA AND CONDITIONS | WEIGHT | PERFORMANCE RATING | | | | |
|-------------------------------------|--------|--------------------|-------|-------|-------|-------|
| | | 1 | 2 | 3 | 4 | 5 |
| Performance Results | 5 | 5pts | 10pts | 15pts | 20pts | 25pts |
| Process Results | 5 | 5pts | 10pts | 15pts | 20pts | 25pts |
| Financial Results | 5 | 5pts | 10pts | 15pts | 20pts | 25pts |
| Citizen/Client Satisfaction Results | 5 | 5pts | 10pts | 15pts | 20pts | 25pts |

For PS-DBM to be able to attain a total score of at least 70 points, the agency should aim for a performance rating of 4 in at least three (3) criteria. In such a case, while the PS-DBM will be eligible, the Office/Division most responsible for the criteria with a performance rating of below 4 will be isolated from the grant of the FY 2021 PBB.

4.1 Performance Results. The targets under Performance Results will enable agencies to concentrate their efforts and available resources on their mandates and core functions, as well as ensure delivery of high quality and high impact activities.

The PS-DBM should achieve each one of the DBM-approved PS-DBM Office Performance Commitment and Review (OPCR) aligned with the FY 2020-2022 DBM SPMR based on the PS-DBM-approved FY 2021 Budget.

While the PS-DBM is still required to submit the pertinent accountability/ financial reports (BFARs) on its revolving fund, it does not undergo the periodic performance review of the DBM whereby the budget utilization rate is used as one of the performance measures

The Performance Results shall be assessed and scored as follows:

| TABLE 2: RATING SCALE FOR PERFORMANCE RESULTS | | | | |
|--|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| Met less than 80% of performance indicators of the Congress-approved performance targets for FY 2021; deficiencies due to controllable factors | Met less than 80% of performance indicators of the Congress-approved performance targets for FY 2021; deficiencies due to uncontrollable factors | Met at least 80% of performance indicators of the Congress-approved performance targets for FY 2021; deficiencies due to controllable factors | Met at least 80% of performance indicators of the Congress-approved performance targets for FY 2021; deficiencies due to uncontrollable factors | Met each one of the Congress-approved performance targets for FY 2021 (all performance indicators) |

4.2 Process Results. The target under Process Results is the greater ease of transaction of frontline services covering all government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions. This may be achieved through streamlining especially of frontline services; standardization of frontline processes including those implemented at the Regional, Satellite, and Extension Offices; digitization e.g., by developing electronic or online paperless systems, new service delivery channels, contactless transactions; and other process improvements for faster and more efficient public service delivery.

Department/Agencies may submit to the AO 25 Secretariat evidence and/or documentation of ease of transaction through one or a combination of the following:

a. Report objectively verifiable evidence of achievements in case of doing business or ease of transaction for frontline services covering all government-to-citizen, government-to-business, government-to-government transactions using Form A as provided under Annex 3 of MC No. 2020-1. The report should highlight the tangible improvements from the viewpoint of the transacting public in terms of access, turnaround time, transaction costs, documentary and other requirements.

b. Report on the digitization initiatives or digital transformation of frontline and non-frontline services through the development of electronic or online and/or paperless application systems, payment systems, new service delivery channels, contactless transactions, and other process improvements using information technology. The report should highlight the tangible results of digitization in term of ease of

doing business or ease of transaction from the point of view of the transacting public.

c. Standard operating procedures, manual or documentation of service delivery standards for frontline and non-frontline services of the agency, including those implemented at the Regional, Satellite, and Extension Offices. The report should highlight the tangible results of the standardization of the frontline and non-frontline services in assuring ease of transaction and doing business with the agency.

d. Valid ISO QMS certification or equivalent certification of frontline and non-frontline services of the agency, as of 31 December 2021. The certificate must indicate the score of the certification.

The Process Results shall be assessed and scored as follows:

| 1 | 2 | 3 | 4 | 5 |
|---|---|--|---|---|
| No demonstrated ease of transaction | Achieved targets to ease transaction (streamlining, digitization, standardization) only for non-frontline services | Achieved targets to ease transaction (streamlining, digitization, standardization) in less than 80% of frontline services | Achieved targets to ease transaction (streamlining, digitization, standardization) in at least 80% of frontline services | Achieved targets to ease transaction (streamlining, Digitization, standardization) in all frontline services |

4.3 Financial Results. For PS-DBM as an income generating agency and has no budgetary support from the National Government, attainment of Disbursement BUR is not applicable as it does not undergo periodic performance review of the DBM.

The requirements under the Financial Results shall be scored as follows:

| 1 | 2 | 3 | 4 | 5 |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|
| 1 -19% Disbursements BUR | 20-39% Disbursements BUR | 40-59% Disbursements BUR | 60-79% Disbursements BUR | 80-100% Disbursements BUR |

4.4 Citizen/Client Satisfaction Results. Achieve the Citizen/Client Satisfaction targets as provided below. For NGAs, GOCCs covered by the DBM, and SUCs accomplish and submit reports on the Citizen/Client Satisfaction Survey (CCSS), and resolve all reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB).

- a. To determine the effectiveness of streamlining, standardization, digitization, and other process improvements in easing transactions with the public, agencies have been encouraged to embed feedback mechanisms and systematically measure citizen/client satisfaction in the delivery of services since the FY 2018 cycle.

To provide evidence on the citizen/client satisfaction results, agencies may report the results of the CCSS following Annex 4: Citizen/Client Satisfaction Survey.

- b. Resolution of reported complaints from Hotline #8888 and Contact Center ng Bayan. Agencies shall ensure resolution of all complaints and grievances on government service procedures, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities reported to Hotline #8888 and CCB. To provide evidence on this, agencies may submit a report summarizing the #8888 and CCB complaints received in FY 2021 and their status if resolved or pending.

The validation shall be complemented with reports and collected data on feedback and complaints from citizens/clients gathered by the OP, PMS, CSC, and PCOO from Hotline #8888 and CCB databases, as well as the FOI portals.

The requirements under the Citizen/Client Satisfaction Results shall be scored as follows:

| 1 | 2 | 3 | 4 | 5 |
|-------------------------------------|--|--|---|--|
| No submission/ Did not conduct CCSS | Low satisfaction rate with unresolved #8888/CCB Complaints | Average to high satisfaction rate with unresolved #8888/CCB complaints | Average satisfaction rate with 100% #8888/CCB complaints resolved | High satisfaction rate with 100% #8888/CCB complaints resolved |

5.0 AGENCY ACCOUNTABILITIES

To sustain the institutionalization of compliance to existing government-mandated laws and standards, agencies and their Performance Management Team (PMT) shall continue to implement, monitor, and enforce compliance with the following requirements within their agencies:

- a. Updating of Transparency Seal;
- b. Compliance with the Freedom of Information (FOI) Program;

- c. Updating of Citizen's or Service Charter;
- d. Compliance to Audit Findings and Liquidation of Cash Advances;
- e. Submission and Review of SALN;
- f. PhilGEPS posting of all invitations to bids and awarded contracts;
- g. Submission of FY 2022 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE), FY 2021 Non-Common Use Supplies and Equipment (APP-non CSE), Indicative FY 2022 APP, and the results of FY 2020 Agency Procurement Compliance and Performance Indicators (APCPI) System;
- h. Undertaking of Early Procurement Activities covering 2022 Procurement Projects.

While the above conditions are no longer required in determining the overall PBB eligibility of agencies, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals. Agencies should submit these legal requirements directly to the oversight agencies.

5.1 Undertaking of Early Procurement Activities (EPA)

Since the PS-DBM does not receive budgetary support from the National Government on its National Expenditure Program, provisions requiring to undertake at least 50% of the value of its Eligible Early Procurement Projects shall not be applicable.

6.0 ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

- 6.1** For FY 2021 PBB, the delivery units (DUs) of eligible agencies shall no longer be ranked. However, the delivery units/office/divisions most responsible for deficiencies shall be isolated.

The PS-DBM Functional Groups are composed of the following delivery units/offices/divisions:

- 1. Office of the Executive Director (OED)
 - 1. Internal Audit Division (IAD)
 - 2. Legal Division (LD)
- 2. Administrative and Finance Group (AFG)
 - 1. Planning and Budget Division (PBD)
 - 2. Comptroller Division (CD)
 - 3. General Services Division (GSD)
 - 4. Human Resource Development Division (HRDD)
- 3. Operations Group
 - 1. Warehousing and Delivery Division (WADD)
 - 2. Inspection Division (ID)
 - 3. Marketing and Sales Division (MSD)
- 4. Regional Operations Group

1. Depot Operations Division (DOD)
2. Regional Depots (RD)
5. PhilGEPS Group
 1. IT Services Division (ITSD)
 2. IT Research and Planning Division (ITRPD)
 3. E-Government Procurement and Development Operations Division (e-GPDOD)
 4. PhilGEPS-Customer Service

The PS-DBM December 2019 Organizational Structure and Staffing Pattern (OSSP) is not yet being implemented because of the modifications that the current management wants to implement.

- a. Based on Table 1, to be eligible for the FY 2021 PBB, PS-DBM must attain a total score of at least 70 points. To be able to attain at least 70 points, PS-DBM should achieve a performance rating of 4 in at least three (3) criteria. In such a case, while PS-DBM will be eligible, the unit/s most responsible (including its head) for the criteria stated in Section 3.0 with a performance rating of below 4 will be isolated from the grant of the FY 2021 PBB.
 - b. The unit/s most responsible (including its head) for the non-compliance with the Agency Accountabilities provided in Section 5.0 will also be isolated from the grant of the FY 2021 PBB. The PMT shall recommend the isolation of the responsible division for approval of the Executive Director.
- 6.2** Eligible DUs shall be granted FY 2021 PBB at uniform rates across the agency, including its officials and employees. The corresponding rates of the PBB shall be based on the agency's achieved total score as shown in Section 7.0.
 - 6.3** The Executive Director shall be eligible only if PS-DBM is eligible. If eligible, his/her PBB rate for FY 2021 shall be equivalent to the rates as stated in Section 7.0 and shall be based on their monthly basic salary (MBS) as of December 31, 2021.
 - 6.4** All officials and personnel should receive a rating of at least "Very Satisfactory" based on the FY 2021 Office/Division/Individual Performance Accomplishment Report.
 - 6.5** Personnel who transferred from one government agency to another shall be rated and ranked by the agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the recipient agency.

- 6.6** Personnel in 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. The payment of the PBB shall come from the mother agency.
- 6.6** Personnel who rendered a minimum of nine (9) months of service during the fiscal year and with at least a very satisfactory rating will be eligible to the full grant of PBB.
- 6.7** Personnel who has 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 the PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

| 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 % |

- 6.7** The following are the valid reasons for personnel 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 personnel;
 - b. Retirement;
 - c. Resignation;
 - d. Rehabilitation Leave;
 - e. Maternity Leave and/or Paternity Leave;
 - f. Vacation or Sick Leave with or without pay;
 - g. Scholarship/Study Leave; and/or
 - h. Sabbatical Leave.
- 6.8** Personnel who are on vacation or sick leave, with or without pay, for the entire year are not eligible for the grant of the PBB.

- 6.9** Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2021 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.
- 6.10** Officials and employees who failed to submit the 2020 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 2021 PBB.
- 6.11** Officials and employees who failed to liquidate all cash advances received in FY 2021 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 2021 PBB.

7.0 Rates of the PBB

The total score as stated in Section 4.0 shall be the basis in determining the amount of the PBB an agency is eligible for. The maximum rate of the PBB for agencies that will achieve 100 points shall be 100% of the 65% monthly basic salary (MBS) of an individual as of December 31, 2021. For illustration, see Table 6 below:

| TABLE 6: RATES OF THE PBB | |
|----------------------------------|--|
| TOTAL SCORE | PBB RATES |
| 100 points | 65% (100% of the 65% monthly basic salary) |
| 95 points | 61.75% (95% of the 65% monthly basic salary) |
| 90 points | 58.5% (90% of the 65% monthly basic salary) |
| 85 points | 55.25% (85% of the 65% monthly basic salary) |
| 80 points | 52% (80% of the 65% monthly basic salary) |
| 75 points | 48.75% (75% of the 65% monthly basic salary) |
| 70 | 45.5% |

| | |
|--------|--|
| points | (70% of the 65% monthly basic salary) |
|--------|--|

9.0 Timeline for FY 2021 PBB Implementation


The implementation timeline for the FY 2021 shall be consistent with the Section 8.0 of the AO 25 Inter-Agency Task Force (IATF) Memorandum Circular No. 2021-1 dated June 3, 2021.

10.0 Source of FY 2021 PBB Fund

The PS FY 2021 PBB shall be charged against the PS FY 2022 Budget.

11.0 Effectivity

This Mechanics shall take effect immediately.


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Date:

Date: 09/DEC/2021