



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

OFFICE ORDER

No. : 2015 - 541

Date: October 30, 2015

Subject: Internal Guidelines on the Grant of the CY 2015 Performance-Based Bonus (PBB) including the Process and Criteria on Forced-Ranking of Eligible DBM Delivery Units, Officials and Employees

1.0 PURPOSE

In the interest of the service and pursuant to Memorandum Circular (M.C.) No. 2015-1 dated August 12, 2015 issued by the Inter-Agency Task Force (IATF) on Administrative Order (A.O.) No. 25, the guidelines on the grant of the PBB for CY 2015 in the Department of Budget and Management (DBM) are hereby issued for the following purposes:

- 1.1 To inform and guide all delivery units and attached entities of the DBM on the new/additional requirements for the grant of the CY 2015 PBB;
- 1.2 To adopt a uniform criteria on rating and forced-ranking of delivery units and individuals;
- 1.3 To inform and guide officials and employees on the rating and ranking process of delivery units and individuals;
- 1.4 To identify the responsible offices/units, as well as their respective roles and responsibilities in the implementation of the CY 2015 PBB; and
- 1.5 To clearly set deadlines for the submission of the PBB requirements.

2.0 COVERAGE

- 2.1 All thirty-eight (38) Bureaus/Services/Offices (B/S/Os) of the Department including its attached entities, i.e. the Government Procurement Policy Board – Technical Support Office (GPPB-TSO) and the Procurement Service (PS); and
- 2.2 All officials and employees of eligible B/S/Os of the Department holding regular plantilla positions; and contractual and casual personnel having an employer-employee relationship with the Department and/or its attached entities, and whose compensation is charged to the lump-sum appropriation under Personnel Services, or those occupying positions in the DBM-approved contractual staffing pattern.

3.0 REQUIREMENTS FOR THE GRANT OF DBM PBB FOR CY 2015

- 3.1 All Major Final Output (MFO) indicators and targets in the CY 2015 Performance Informed Budget (PIB) approved by Congress shall be the bases for assessing DBM eligibility for the PBB in addition to the common Support to Operations (STO) and General Administration and Support Services (GASS) targets set by the IATF.
- 3.2 The following are the new and/or additional requirements for the grant of the CY 2015 PBB specified under M.C. No. 2015-1:
 - 3.2.1 Use of the Strategic Performance Management System (SPMS) as basis for ranking performance of first and second level employees;
 - 3.2.2 Compliance with Public Financial Management (PFM) reporting requirements of the Commission on Audit (COA) and the DBM;
 - 3.2.3 Adoption and use of the Agency Procurement Compliance and Performance Indicators (APCPI) System;
 - 3.2.4 Compliance with Section 3e of A.O. No. 46, series 2015 which requires agencies to submit their respective Annual Procurement Plan (APP) based on the approved budget in the General Appropriations Act (GAA), inclusive of Maintenance and Other Operating Expense (MOOE), Capital Outlay (CO) and commonly-used supplies; and
 - 3.2.5 Submission of separate Forms B and C, the Agency Accomplishment for Priority Programs and Initiatives under Executive Order (E.O.) No. 43 and the Agency Accomplishment for Office of the President (OP) Planning Tool FY 2015 Targets, respectively, which in previous years were consolidated and reflected in Form B only.

4.0 GENERAL AND SPECIFIC GUIDELINES

Eligibility Criteria

The PBB grant shall continue to be a two-step system which measures verifiable and credible indicators of performance for delivery units and for personnel within these units.

4.1 Eligibility Criteria for DBM Delivery Units

The following are the PBB eligibility criteria for the DBM delivery units, including attached entities:

- 4.1.1 Achieve at least 90% accomplishment on the following:
 - i. each of the Congress-approved performance targets for the delivery of MFOs under the PIB of the CY 2015 GAA; and

ii. the targets for STO and GASS.

4.1.2 Achieve at least 90% accomplishment on each of the priority program/project targets agreed with the President under the five (5) Key Result Areas under E.O. No. 43, series 2011, identified by the Presidential Management Staff and reflected in Annex 7 of IATF M.C. No. 2015-1; and

4.1.3 Satisfy 100% of the Good Governance Conditions set by the IATF for CY 2015 based on the performance drivers of the Results-Based Performance Management System (RBPMS), as follows:

i. Maintain/Update the Agency Transparency Seal in accordance with Section 98 of Republic Act (R.A.) No. 10651 or the CY 2015 GAA;

ii. Maintain/Update the posting on the Philippine Government Electronic Procurement System (PhilGEPS) website per the Revised Implementing Rules and Regulations (IRR) of R.A. No. 9184; and

iii. Maintain/Update the Citizen's Charter or its equivalent in accordance with R.A. No. 9485.

4.2 To be eligible for higher percentage distribution in the ranking of delivery units, the Department must achieve at least 90% accomplishment on each one of the additional targets of the Secretary as reflected in the OP Planning Tool (Form 1), in addition to the criteria provided in Section 4.1 above.

4.3 Eligibility Criteria for DBM Officials and Employees

The following are the PBB eligibility criteria for DBM officials and employees belonging to an eligible B/S/O:

4.3.1 Rendered a minimum uninterrupted period of nine (9) months of service during the calendar year and with at least "Satisfactory" rating in both rating periods;

4.3.2 An employee 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-rata basis. The PBB of employees shall be pro-rated corresponding to the actual length of service rendered, as follows:

Length of Service	Percentage 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%

4.3.3 An employee who will not meet the nine-month actual service requirement in view of the following reasons may be considered eligible for the CY 2015 PBB on a pro-rata basis:

- i. Being a newly hired employee
- ii. Retirement
- iii. Resignation
- iv. Rehabilitation Leave
- v. Maternity Leave and/or Paternity Leave
- vi. Vacation or Sick Leave with or without pay
- vii. Scholarship/Study Leave
- viii. Sabbatical Leave

4.3.4 Employees belonging to the first and second level positions should receive a rating of at least "Satisfactory" based on the SPMS.

4.3.5 Third level officials should receive a rating of at least "Very Satisfactory" under the Career Executive Service Performance Evaluation System (CESPES) which covers all incumbents of Career Executive Service (CES) positions for an uninterrupted period of at least three (3) months and after having been subjected to the processes and procedures as provided under CESB Resolution No. 1136 series of 2014 (Guidelines on the Enhanced CESPES).

4.3.6 Other officials performing managerial and executive functions who are not presidential appointees shall be covered by the SPMS and should receive a rating of at least "Satisfactory".

4.3.7 An employee 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 be made by the mother agency.

4.3.8 An employee 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 rating and ranking of the recipient agency.

4.3.9 The PBB of employees on part-time basis shall be pro-rated corresponding to the services rendered.

4.3.10 The eligibility of the Secretary of Budget and Management shall be based on the eligibility of the Department. His/her PBB rate shall be fixed at P35,000.00 for CY 2015.

4.4 Exclusions from the CY 2015 Grant of PBB

4.4.1 An employee who is on vacation or sick leave, with or without pay, for the entire year.

4.4.2 An employee found guilty of administrative and/or criminal cases filed against him/her and meted penalty in CY 2015. If the penalty meted out

is only a reprimand, such penalty shall not cause the disqualification to the PBB.

- 4.4.3 Officials and employees who failed to submit their CY 2014 Statement of Assets, Liabilities, and Net Worth (SALN) prescribed under CSC M.C. No. 3, series of 2015.
- 4.4.4 Officials and employees who failed to liquidate Cash Advances received in CY 2015 within the required reglementary period.
- 4.4.5 Officials and employees who failed to submit their duly accomplished Individual Performance Commitment Review (IPCR) or CESPES ratings to the Administrative Service – Human Resource Development Division (AS-HRDD).

Performance Rating and Ranking of Eligible Delivery Units

- 4.5 Delivery units that meet the criteria and conditions in item 4.1 of this Order are eligible for the grant of the CY 2015 PBB.
- 4.6 Eligible delivery units shall be clustered into four (4) groups, as provided under Annex "A" hereof. Each of the groups shall be rated and ranked by the Senior Officials identified in the said Annex.
- 4.7 Delivery units shall be rated and ranked using a Rating System with the following criteria and percentage score weights:

Criteria/Bases	Percentage Share to Total Score
Average accomplishment rating on MFOs, GASS and STO targets	75
Average accomplishment rating on Major Program/s and Project/s as identified by the Presidential Management Staff	10
Task Difficulty	15
Total Score	100

- 4.7.1 The criteria in determining scores for Task Difficulty shall be agreed upon by the assigned Senior Officials per group, taking into consideration the differing challenges faced by the respective delivery units.
- 4.7.2 Designated Senior Officials shall discuss the rating and ranking of the delivery units under their group. The PMS shall serve as Secretariat and record the proceedings of the meeting.
- 4.7.3 The Functional Group Head concerned shall inform the Directors of the delivery units under their respective groups of the results of the forced-ranking.

4.8 The eligible delivery units shall be forced-ranked, as follows:

Performance Category	Regular Percentage Distribution	Higher Percentage Distribution under item 4.2
Best	Top 10%	Top 15%
Better	Next 25%	Next 30%
Good	Next 65%	Next 55%

4.9 The prescribed regular percentage distribution shall be applied in forced-ranking eligible delivery units, including attached entities, illustrated as follows:

	No. of Delivery Units	Performance Category		
		Best 10%	Better 25%	Good 65%
Group 1	7	1	2	4
Group 2	8	1	2	5
Group 3	7	1	2	4
Group 4	16	1	4	11
Grand Total	38	4	10	24

4.10 In case the Department qualifies for a higher percentage distribution, eligible delivery units, including attached entities, shall be forced-ranked, illustrated as follows:

	No. of Delivery Units	Performance Category				
		Best 15%		Better 30%		Good 55%
		10%	5%	25%	5%	
Group 1	7	1		2		4
Group 2	8	1	1	2		4
Group 3	7	1		2		4
Group 4	16	1	1	4	1	9
Total	38	4	2	10	1	21
Grand Total	38	6		11		21

4.11 Upon IATF's confirmation of the DBM's PBB eligibility to a higher percentage distribution, the PMS and the AS-HRDD shall make the necessary adjustments.

4.11.1 Based on the submitted ranking of delivery units under each group, the PMS shall determine the units to be covered by the additional "best" and "better" slots, for transmittal to the AS-HRDD.

4.11.2 The AS-HRDD shall prepare and submit to the PMS the modified PBB Form to reflect the higher percentage distribution.

4.11.3 The PMS shall forward the modified PBB Form to the IATF.

Performance Rating and Ranking of Eligible Officials and Employees

- 4.12 Eligible first and second level employees shall be rated on the basis of the following criteria and percentage score weights:

Criteria/Bases	Percentage Share
▪ Employee's performance as reflected in the Individual Performance Commitment and Review (IPCR) Accomplishment in accordance with the SPMS	80
▪ Behavioural-related performance	20
Total Score	100

Details of the parameter on the behavioural-related performance shall be subject of a separate issuance upon the recommendation of the AS-HRDD and the PMT.

- 4.13 Eligible Directors and Assistant Directors within each group shall be rated separately from the first and second level employees.

4.13.1 Eligible Directors and Assistant Directors shall be rated and ranked in their respective groups using the CESPES numerical rating. To break a tie among the Directors and Assistant Directors, the rater's discretion (superior's rating) may apply.

4.13.2 The amount of PBB of the eligible Director and Assistant Director shall be based on the performance ranking of their respective delivery units (i.e., best, better or good), in accordance with item 4.18 of this Order. Thus, if a Director was ranked as "better" but his/her delivery unit was ranked as "good", his/her PBB rate is P10,000 as stipulated in the schedule of rates prescribed by the A.O. 25 Task Force.

- 4.14 Eligible Senior Officials will be rated and ranked based on their CESPES ratings. To break a tie in the rating and ranking among the Senior Officials, the DBM Secretary's discretion may be used.

- 4.15 The respective heads of the delivery units shall accordingly inform their staff of the results of the forced-ranking.

- 4.16 Eligible first and second level employees under an eligible delivery unit with six (6) or more non-technical personnel shall be divided into two (2) groups, viz., technical and non-technical, prior to the forced-ranking.

- 4.17 Eligible officials and employees shall be forced-ranked based on their respective ratings, as follows:

	BEST B/S/O (Top 10%)	BETTER B/S/O (Next 25%)	GOOD B/S/O (Next 65%)
Best Performer	20%	15%	10%
Better Performer	35%	30%	25%
Good Performer	45%	55%	65%

PBB Rates of Eligible Officials and Employees

- 4.18 The rates of the PBB for eligible official and employees shall be based on the performance of delivery units, and rating of individual officials and employees, as follows:

Performance Category	Individual Performance Category		
	Best	Better	Good
Best	P 35,000	P20,000	P10,000
Better	P25,000	P13,500	P7,000
Good	P15,000	P10,000	P5,000

5.0 EFFECTS OF NON-COMPLIANCE

- 5.1 Violation of the herein Guidelines and the commission of fraud in the payment of the PBB shall be valid grounds for disqualification in the PBB, without prejudice to the appropriate sanctions to be imposed upon the erring official or employee, pursuant to IATF rules.

6.0 RESPONSIBILITIES OF CONCERNED DBM B/S/O

6.1 Delivery Units

- 6.1.1 At the end of the performance period, the delivery units shall submit to their respective Functional Group Heads their accomplishments using the Office Performance Commitment Report (OPCR). The same shall be endorsed by their Functional Group Heads to the PMT, through the PMS as Secretariat.
- 6.1.2 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 No. 1 reflected and posted on the DBM website.
- 6.1.3 Concerned delivery units shall comply and coordinate with the PMS relative to the requirements specified under the activities in Annex "B" hereof.
- 6.1.4 Delivery units concerned shall be ready at all times, beginning October 1, 2015, for spot-checks that may be conducted by the IATF to validate claims and certifications made by the Department.

6.2 Functional Group Heads

- 6.2.1 The Functional Group Heads shall timely submit to the PMS the accomplished rating and forced-ranking report of eligible B/S/Os under their supervision.

6.2.2 The Functional Group Head of the eligible delivery units shall timely submit to the AS-HRDD the forced-ranking report of eligible employees.

6.3 Administrative Service-Human Resource Development Division

6.3.1 The AS-HRDD shall consolidate and prepare the report on ranking of B/S/Os and the personnel therein based on the submissions duly signed by the designated raters of the delivery units. Upon the approval of the Secretary, the said report shall be forwarded to the PMT for submission to the IATF.

6.4 Planning and Management Service

6.4.1 The PMS shall coordinate and monitor the Department's compliance with the IATF requirements, including but not limited to the preparation of the required PBB Reports/Forms, based on the data provided by the delivery units in their respective OPCR Accomplishment Reports. These PBB Reports/Forms shall be submitted to the PMT for evaluation.

6.4.2 The PMS shall assist in the development and implementation of an internal communications strategy on the Performance Based Incentive System (PBIS), as follows:

i. Disseminate the performance targets and accomplishments of the Department by posting the same on the DBM website.

ii. Act as Help Desk, through telephone no. 791-2000 local 3218, to respond to queries and comments on the DBM's targets and accomplishments.

6.5 Performance Management Team

6.5.1 The PMT shall evaluate and assess the PBB Reports and present the same to the DBM Executive Committee for approval. Upon approval, the same shall be submitted to the IATF through the A.O. 25 Secretariat, subject to the rules on re-evaluation, as may be applicable.

6.5.2 The PMT shall lead efforts on the development and implementation of the internal communication strategy on PBIS.

6.5.3 The PMT shall act as Appeals Body and Final Arbiter for PBB matters.

6.5.4 The PMT shall oversee the implementation of these Guidelines and issue necessary rules, regulations, policies, and directives, consistent with the IATF guidelines.

7.0 APPEALS

All Appeals relative to the implementation of the Department's CY 2015 Grant of PBB shall be acted upon pursuant to item 9.0 of the SPMS Guidelines under Department Order No. 2014-14 dated July 1, 2014.

8.0 CALENDAR OF PBB ACTIVITIES


The indicative timeline for the CY 2015 PBB implementation is attached as Annex "B," subject to the issuance of subsequent advisories by the PMT.

9.0 DELEGATION OF AUTHORITY

The PMT is hereby authorized to issue necessary rules, regulations, policies, and directives, consistent with the IATF guidelines.

10.0 EFFECTIVITY

This Office Order shall take effect immediately. All other Orders or provisions thereof inconsistent and contrary to this Order or its provisions are hereby superseded, rescinded and/or amended accordingly.


FLORENCIO B. ABAD
Secretary

2015 PBB GROUPING

Group	Group Head/Rater	Comparison of the CY 2014 Grouping	Delivery Units per Group
1	LEAD: Undersecretary for Internal Management Undersecretary Dara C. Acusar Undersecretary Clare Cattleya G. Amador Assistant Secretary Maxine Tanya M. Hamada Assistant Secretary Sofia C. Yanto	<u>OSEC (including CSO Desk, RIU, PIU, and StratCom)</u> <u>AS</u> <u>FS</u> <u>LS</u> <u>TIS</u> <u>IAS</u>	<u>Internal Management (IM) Group</u> 1. Office of the Secretary (including CSO Desk, RIU, PIU and StratCom) 2. Administrative Service 3. Finance Service 4. Legal Service 5. Training and Information Service 6. Planning and Management Service 7. Internal Audit Service
2	LEAD: Undersecretary for Budget Policy and Strategy Undersecretary Laura B. Pascua Undersecretary Richard E. Moya Undersecretary Janet B. Abuel Assistant Secretary Amelita D. Castillo Assistant Secretary Myrna S. Chua Assistant Secretary Sofia C. Yanto	<u>CPRS</u> <u>FPB</u> <u>DLLO</u> <u>OPCCB</u> <u>SPIB</u> <u>ICTSS</u> <u>GPPB-TSO</u> <u>PS (including PhilGEPS)</u>	<u>Budget Policy and Strategy (BPS) Group</u> 1. Fiscal Planning and Reforms Bureau 2. Department Legislative Liaison Office <u>Organization and Systems Improvement (OSI) Group</u> 3. Organization, Position Classification and Compensation Bureau 4. Systems and Productivity Improvement Bureau 5. Information and Communications Technology Systems Service <u>Comptroller General (CG) Group</u> 6. Public Expenditure Management Bureau including PFM-KM-TWG <u>Attached delivery units</u> 7. Government Procurement Policy Board-Technical Service Office 8. Procurement Service (including PhilGEPS)
3	LEAD: Undersecretary for Budget Preparation and Execution Undersecretary Mario L. Relampagos Undersecretary Luz M. Cantor Assistant Secretary Tina Rose Marie L. Canda	<u>BMBs A to G</u> <u>BTS</u>	<u>Budget Preparation and Execution (BPE) Group</u> BMBs – 1. A (<i>Economic Development and Food Security Sector</i>) 2. B (<i>Human Development Sector</i>) 3. C (<i>Good Governance Sector</i>) 4. D (<i>Security, Peace and Justice Sector</i>) 5. E (<i>Ecological Protection, Climate Change and Disaster Management Sector</i>) 6. Budget Technical Bureau <u>Budget Performance Monitoring and Evaluation (BPME) Group</u> 7. Performance Monitoring and Evaluation Bureau
4	LEAD: Undersecretary for Office of the Comptroller General Group Undersecretary Luz M. Cantor Undersecretary Janet B. Abuel Assistant Secretary Tina Rose Marie L. Canda Assistant Secretary Sofia C. Yanto	DBM ROs	1-15. DBM ROs I to XIII, NCR and CAR

Timeline for FY 2015 PBB Implementation

Activity	Responsible Unit	Deadline for Submission to the IATF
Submission of FY 2014 Financial Reports to the COA	FS, Regional Offices, GPPB-TSO and PS	On or before April 30, 2015
Posting of agency system of ranking delivery units and individuals	PMS, PMT and ICTSS GPPB-TSO and PS	On or before October 30, 2015
Submission of Report on Ageing of Cash Advance Liquidation (Cut-off date: November 15, 2015)	FS, Regional Offices, GPPB-TSO and PS	On or before December 1, 2015
Submission of Certificate of Compliance with PhilGEPS (from November 16, 2014 to November 15, 2015)	BAC Secretariat of CO, Regional Offices, GPPB-TSO and PS	On or before December 1, 2015
Pre-Assessment to be conducted by validating agencies' compliance with the Transparency Seal and Citizen's Charter (Certificate of Compliance will not be submitted to the DBM-OCIO and the CSC; Responsible units should ensure compliance with the requirements)	FS, PMS, BTB, CO-BAC AS ICTSS	Pre-assessment to be conducted starting October 1, 2015
Submission of accomplishments using Forms A, A1, B, C and Form 1.0 (Cut-off date: December 31, 2015)	PMS AS-HRDD	On or before January 15, 2016
Submission of BFARs to the COA and the DBM	FS, Regional Offices, PMS, GPPB-TSO and PS	Thirty (30) days or one (1) month after end of the quarter
Submission of APCPI Self-Assessment	CO-BAC Secretariat	On or before December 1, 2015
Submission of APP	AS-GSD BAC, ROs, GPPB-TSO and PS	Within the 1 st month of the year until before end of April 2015
Validation of QMS Certification/ Operations Manual submission	SPIB PMS	On or before January 15, 2016
Validating of 2 nd STO indicator as identified by the DBM Secretary	ICTSS	On or before January 15, 2016

TRANSPARENCY SEAL

No.	SEC 98 - 2015 GAA	No.	IATF GUIDELINES (ANNEX 10)
i.	the agency's mandates and functions, names of its officials with their position, designation, and contact information	i.	Agency's Mandate, Vision, Mission and List of Officials
ii.	Physical accountability reports , as required under NBC Nos. 507 and 507-A dated January 31, 2007 and June 12, 2007, respectively, financial accountability reports, as required under COA and DBM JC No. 2013-1 dated March 15, 2013, and other pertinent guidelines issued by the COA and DBM		included under (ii) below
iii.	annual reports on the status of income authorized by law to be retained and/or used and be deposited outside of the National Treasury, which shall include the legal basis for its retention and/or use, the beginning balance, income collected and its sources, expenditures, and ending balance for the preceding fiscal year		
		ii.	Annual Financial Reports (whole year/ as of December end of the year/4th Quarter. Incomplete or non-cumulative will not be counted): FAR No. 1 - Statement of Appropriations, Allotments, Obligations, Disbursements and Balances as of December YEAR) Summary Report on Disbursements BAR No. 1 - Quarterly Physical Report of Operations/Physical Plan FAR No. 5 - Quarterly Report on Revenue and Other Receipts Financial Plan -(Detailed Statement of Current Year's Obligations, Disbursements and Unpaid Obligations)
iv.	approved budgets and corresponding targets immediately upon approval of this Act	iii.	DBM Approved Budget and Targets (only for current year)
v.	major programs and projects categorized in accordance with the five key results areas under EO No. 43, series of 2011	iv.	Projects, Programs and Activities, Beneficiaries, and Status of Implementation
vi.	the program or project beneficiaries as identified in the applicable special provisions		
vii.	the status of implementation of said program or project and project evaluation and/or assessment reports		
viii.	the annual procurement plan, contracts awarded and the name of contractors/suppliers/consultants	v.	Annual Procurement Plan 2015 (only for current year)
		vi.	System of Ranking Delivery Units and Individuals (to be posted by October 30, 2015)
		vii.	Quality Management System certified by international certifying body or Agency Operations Manual)

*M'am Tess,
for info po.
thanks
Joy*