



## **Guidelines on System of Rating and Ranking for the Performance-Based Bonus (PBB) of the Metropolitan Waterworks and Sewerage System Regulatory Office (MWSS RO)**

### **I. LEGAL BASES**

1. Governance Commission for GOCCs (GCG) Memorandum Circular (MC) No. 2019-02 dated 25 July 2019, Interim Performance-Based Bonus (PBB) and GCG MC No. 2021-02, dated 06 September 2021, Good Governance Condition (GGCs) and Other Conditions and Requirements (OCRs) for the Grant of Interim Performance-Based Bonus (PBB)
2. Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information, and Reporting Systems (IATF) MC 2021-1 dated 03 June 2021, Guidelines on the Grant of Performance-Based Bonus for Fiscal Year 2021 under Executive Order (EO) No. 80 series of (s.) 2012 and EO No. Order 201 s. 2016.

### **II. PURPOSE**

This Guideline is issued to provide the basic policies and procedure in the ranking and distribution of PBB to MWSS RO officials and employees based on eligibility, distribution, and ranking criteria in accordance with the above-cited legal bases.

### **III. COVERAGE**

All Officers and Employees who occupy regular plantilla positions and those occupying positions in the Department of Budget and Management (DBM)-approved contractual staffing pattern are covered by this Guideline.

### **IV. GUIDELINES**

#### **A. Eligibility of Individuals**

1. Employees belonging to the First, Second, and Third Levels should receive at least "Satisfactory" rating based on the agency's Civil Service Commission (CSC)-approved Strategic Performance Management System (SPMS).
2. 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.



3. Personnel who transferred from one government agency to another agency shall be rated 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.
4. 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 officials/employee shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency.
5. 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.
6. An official or employee who rendered a minimum of three (3) months but less than nine (9) 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:

<b>Length of Service</b>	<b>% of PBB</b>
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; and
  - (h) Sabbatical Leave; and
  - (i) Other leaves provided by Law.
7. 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.



8. Personnel found guilty of administrative and/or criminal cases by final and executory judgement in Fiscal Year (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.
  9. Officials and employees who failed to timely submit the latest Statement of Assets, Liabilities, and Net Worth (SALN) as prescribed in the rules provided under CSC MC No. 3, s. 2015, 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.
  10. Officials and employees who failed to liquidate all cash advances received in 2021 within the reglementary period, as prescribed in Commission on Audit (COA) Circular No. 97- 002 dated 10 February 1997 and reiterated in COA Circular 2009-002 dated 18 May 2009, shall not be entitled to the PBB for the same year.
  11. Officials and employee who failed to submit their complete SPMS Forms, or its equivalent, shall not be entitled to the FY 2021 PBB.
  12. Officials and employees responsible for the compliance and implementation of the OCRs, shall not be entitled to the PBB for the applicable year if the GOCC fails to comply with any of these OCRs requirements.
- B. Exclusion.** Excluded from the grant of the PBB are those hired without employer-employee relationships and paid from non-Personnel Services appropriations/budgets as follows:
1. Consultants and experts hired to perform specific activities or services with expected outputs;
  2. Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
  3. Student laborers and apprentices; and
  4. Individuals and groups of people whose services engaged through job orders, contracts of service, or others similarly situated.
- C. Distribution System.** The Chief Regulator, as head of the agency, should ensure that only eligible and qualified Officers and Employees are included in the rating and ranking to be submitted to GCG. Distribution of PBB among qualified Officers and Employees of a GOCC who have complied with the conditions under Sections 4.3 and 5 of the



GCG MC No. 2019-02 shall be in accordance with the following procedure:

1. **Grouping of Personnel** – In determining the distribution of the FY 2021 PBB among qualified GOCC Officers and Employees, all personnel shall be ranked on percentile basis within their respective levels as determined by the MWSS RO *en banc* through the Performance Management Team (PMT).
2. **Distribution for Qualified Officers and Employees** – In each level, the ratings of Officers and Employees under the MWSS RO SPMS shall be quantified to allow for ranking on a percentile basis for the purpose of distribution as follows:

Level/Class	Job Grade
Senior Management	JG - 16 (SG 28)
Middle Management	JG - 14 (SG 26)
Professional & Supervisory	JG -12 to 9 (SG 23 to 13)
Clerical/General Staff	JG - 8 to 5 (SG 12 and below)

3. **Rates of PBB** – the grant of the PBB shall be based on the performance of the individual Officers and Employees with the rate of incentive as a multiple of individual's monthly basic salary (MBS) as of 31 December 2021 based on the table below, but not lower than PhP5,000.00:

% Per Level	PBB as % of MBS
<b>Top:</b> Maximum 10%	65.0%
<b>Next:</b> Maximum 25%	57.5%
<b>Remaining:</b> Minimum 65%	50.0%

*\*The percentile of the "Top" and "Next" levels are maximum figures with the discretion on the part of the Governing Board/Management to decrease the figures and distribution them to the "Remaining" level.*

The guidelines for the System of Rating and Ranking for the distribution of the Performance-Based Bonus (PBB) for MWSS Regulatory Office were discussed in the RO *en banc*, Management Committee (ManCom) Meetings, PMT, and cascaded to the employees through the Regulation Areas Planning Sessions.

If any of the provisions mentioned in these Guidelines are found to be inconsistent with GCG MC No. 2019-02, MC No. 2021-02 or IATF MC No. 2021-1, those specific provisions shall be deemed amended in accordance with the relevant GCG and IATF Memorandum Circulars.

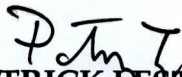


Recommending Approval:



**CLAUDINE B. OROCIO-ISORENA**  
DA for Administration and Legal Affairs

Approved by:



**PATRICK LESTER N. TY**  
Chief Regulator



**GCG MEMORANDUM CIRCULAR NO. 2019 – 02**

**SUBJECT : INTERIM PERFORMANCE-BASED BONUS (PBB)**

**DATE : 25 JULY 2019**

1. **BACKGROUND AND PURPOSE.** – This Circular has been issued to establish the rules and regulations for the application and grant of the Interim Performance-Based Bonus (PBB) to qualified Officers and Employees of GOCCs covered under Republic Act (R.A.) No. 10149,<sup>1</sup> pursuant to Executive Order (E.O.) No. 80, s. 2012.<sup>2</sup>
2. **COVERAGE.** – This Circular shall cover GOCCs with GCG-approved Performance Scorecards starting 2019 and onwards.
3. **SUBMISSION OF PBB APPLICATION.** – Applications for the grant of the PBB shall only be submitted to the GCG upon receipt of the GCG-validated scorecard and; provided, it has obtained a weighted-average score of at least 90% in its Performance Scorecard for the applicable year.

Accordingly, GOCCs that achieved a score of less than 90% will automatically be deemed ineligible to the grant of the PBB for the applicable year.

4. **ELIGIBILITY OF A GOCC TO GRANT THE PBB.** – The grant of the PBB shall be based on the overall GOCC performance, and then distributed to individual Officers and Employees based on their performance ranking.

In order to be eligible to grant the PBB to its qualified Officers and Employees, the GOCC must:

- 4.1. Achieve a weighted-average score of at least 90% in its Performance Scorecard;
  - 4.1.1. Measures wherein the accomplishments for the same cannot be objectively verified by GCG on account of inadequate or incomplete documentation by the GOCC on how such accomplishments were determined may be given an automatic zero score.
- 4.2. Satisfy 100% of the Good Governance Conditions (GGCs) as follows:
  - 4.2.1. Conditions Common to National Government Agencies and GOCCs as stated in the applicable AO 25 IATF PBB Circular; and
  - 4.2.2. Conditions Specific to GOCCs:

<sup>1</sup> An Act to Promote Financial Viability and Fiscal Discipline in Government-Owned or -Controlled Corporations and to strengthen the role of the State in its Governance and Management to make them more responsive to the needs of Public Interest and for other purposes.

<sup>2</sup> E.O. No. 80, entitled "Directing the Adoption of a Performance-Based Incentive System for Government Employees," was issued to, among others, provide incentives that support and encourage performance-driven, productive and efficient GOCCs.

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- (a) The GOCC has satisfied all statutory liabilities, including:
  - i. payment of all taxes due to the Government as certified/validated by the Bureau of Internal Revenue;
  - ii. declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable, as certified/validated by the Department of Finance (DOF);
  - iii. payment of NG Advances as certified/validated by the DOF; and
  - iv. remittance of mandatory contributions as certified/validated by the following agencies: GSIS or SSS, Pag-IBIG, and PhilHealth.
- (b) Maintain/update and implement the GOCC's *"Manual of Corporate Governance"* and *"No Gift Policy"* approved by the GCG and uploaded on the GOCC's website pursuant to the *"Code of Corporate Governance for GOCCs"* <sup>4</sup> and amendments thereto;
- (c) Compliance with all the requirements mentioned in the *"Revised Whistleblowing Policy for the GOCC Sector"* <sup>5</sup> and amendments thereto;
- (d) Compliance with the Executive Order on Freedom of Information: Executive Order No. 2, s. 2016; and
- (e) Compliance with posting on the GOCC's website the information enumerated under Section 43 of *"Code of Corporate Governance for GOCCs"* <sup>6</sup> and amendments thereto.

4.2.3. Non-compliance with any of the GGCs will render the entire GOCC ineligible for the PBB.

4.3. Other Conditions and Requirements (OCRs). – All GOCCs are required to comply with the following conditions and requirements:

- (a) Maintain and/or attain certification on the GOCC's Quality Management System (QMS);
- (b) Timely submission of Annual Procurement Plan (APP) pursuant to applicable rules and regulations;
- (c) Timely submission of Corporate Operating Budgets (COBs) to the Department of Budget and Management (DBM);
- (d) Implementation of the prior year's audit recommendations, submission to the GCG of audit observations and notices of disallowances within seven (7) working days from the time it was

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<sup>4</sup> GCG M.C. No. 2012-07

<sup>5</sup> GCG M.C. No. 2016-02

<sup>6</sup> GCG M.C. No. 2012-07

received from the Commission on Audit (COA), all written communications between the GOCC and COA on such matters, which shall include, but not limited to, the concrete and time bound action plans for addressing the audit observations and notices of disallowances;

- (e) Compliance and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to the policies and guidelines under "Policies and Guidelines on the Integrated Corporate Reporting System (ICRS) for the GOCC Sector" <sup>7</sup> and amendments thereto; and
- (f) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to the "Performance Evaluation for Directors (PED)" <sup>8</sup> and amendments thereto.

- 4.3.1. Officials and employees responsible for the compliance and implementation of the OCRs, shall not be entitled to the PBB for the applicable year if the GOCC fails to comply with any of these requirements.

- 5. **ELIGIBILITY OF INDIVIDUAL OFFICERS AND EMPLOYEES.** – All Officers and Employees of GOCCs who occupy regular, casual or contractual positions with employer-employee relationship, shall be entitled to full grant of the PBB from their employer at the time of the release of the PBB; *Provided*, they have rendered an aggregate of at least nine (9) months of service in the public sector for the applicable PBB year. Officers and Employees who do not meet the 9-month service requirement but have served at least 3 months of service shall be entitled to PBB on a *pro-rata* basis, as provided in Section 5.1.6 herein.

5.1. ***Eligibility of Individual Officers and Employees of GOCCs***

- 5.1.1. 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 equivalent, or the requirement prescribed by the Career Executive Service Board (CESB).
- 5.1.2. 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.
- 5.1.3. 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.
- 5.1.4. Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB, shall be

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<sup>7</sup> GCG M.C. No. 2014-02

<sup>8</sup> GCG M.C. No. 2014-03



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 5.1.6.

- 5.1.5.** 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.
- 5.1.6.** An official or employee who rendered a minimum of three (3) months but less than nine (9) 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:

<b>Length of Service</b>	<b>% of PBB</b>
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; and
  - (i) Other leaves provided for by law
- 5.1.7.** 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.
- 5.1.8.** Personnel found guilty of administrative and/or criminal cases in the applicable year by formal and executory judgment 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.

- 5.1.9. Officials and employees who failed to timely submit the latest Statement of Assets, Liabilities, and Net Worth (SALN) as prescribed under applicable CSC rules; 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 PBB of the applicable year.
- 5.1.10. Officials and employees who failed to liquidate all Cash Advances received in the applicable year within the reglementary period, as stated in relevant and prevailing COA Circulars, shall not be entitled to the PBB for the same year.
- 5.1.11. Officials and employees who failed to submit their complete SPMS Forms, or its equivalent, shall not be entitled to the PBB of the applicable year.
- 5.2. **Exclusions.** – Excluded from the grant of the PBB are those hired without employer-employee relationships and paid from non-Personal Services appropriations/budgets as follows:
- (a) Consultants and experts hired to perform specific activities or services with expected outputs;
  - (b) Laborers hired through job contracts (*pakyaw*) and those paid on piecework basis;
  - (c) Student laborers and apprentices; and
  - (d) Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.
6. **DISTRIBUTION SYSTEM.** – The CEO should ensure that only eligible and qualified officers and employees are included in the rating and ranking to be submitted to GCG. Distribution of PBB among qualified Officers and Employees of a GOCC who have complied with the conditions under Sections 4.3 and 5 above shall be in accordance with the following procedure:
- 6.1. **Grouping of Personnel.** – In determining the distribution of the PBB among qualified GOCC Officers and Employees, all personnel shall be ranked on a percentile basis within their respective levels as determined by the GOCC Governing Board through the Management in accordance with the following guidelines:
- (a) **Senior Management:** This refers to the executive officers of the GOCC, and includes all heads of functional units, which are primarily involved in the development, evolution, and approval of long-term vision across a function or area of specialization. It includes those who lead the development of function strategy, implement and maintain policies of the organization for area of responsibility. (e.g., Deputy Administrator, Sr. Deputy Administrator, Assistant General Manager, Executive Vice President, Sr. Vice President, Vice President, etc.)



The President/CEO, or whoever is the highest-ranking executive officer, has the prerogative to avail of either the Performance-Based Incentive (PBI) under the applicable M.C. on the PBI, or the PBB, *but not both*. In the event the CEO is included in the PBB application, he/she must meet the eligibility requirements for the PBI and shall be ranked separately on his/her own and shall not be included in the forced ranking of Officers and Employees.

- (b) **Middle Management:** This covers those whose work is primarily achieved through others, with direct accountability for setting direction and deploying resources. Responsible for people management, including performance evaluation and pay reviews and typically hire/fire decisions. Includes individual contributors who are recognized as subject matter experts with in-depth technical knowledge, project management and significant influence skills in area of expertise (e.g., Head of Department or Service).
- (c) **Professional and Supervisory:** This level comprises the personnel whose work is primarily achieved by an individual or through project teams. Requires the application of expertise in professional or technical area(s) to achieve results. Typically has a university degree or equivalent work experience that provides knowledge and exposure to fundamental theories, principles and concepts. Includes supervisors and junior management that may not have full management authority (e.g., Financial Analyst/Specialists, Accountant, HR Officer, etc.)
- (d) **Clerical/General Staff:** This category includes all clerical, administrative and secretarial staff with little or no supervisory responsibility but who contribute independently to the organization. It also covers basic computing/data processing staff such as operators, customer service assistants and skilled craftsmen/technicians (e.g., Secretary, Clerk, Finance Processor, Administrative Assistant, Chauffeur, Utility Worker, Messenger).

**6.2. Distribution for Qualified Officers and Employees.** – In each level provided for in Section 5.1 above, the ratings of Officers and Employees under the GOCC's SPMS or its equivalent shall be quantified to allow for ranking on a percentile basis for the purpose of distribution as follows:

**6.2.1. Rates of PBB.** – The grant of the PBB shall be based on the performance of the individual Officers and Employees with the rate of incentive as a multiple of the individual's monthly basic salary (MBS) as of 31 December of the applicable year based on the table below, but not lower than ₱5,000:

Percentile	PBB as % of MBS
<b>Top:</b> Maximum 10%	65.0%
<b>Next:</b> Maximum 25%	57.5%
<b>Remaining:</b> Minimum 65%	50.0%



*\*The percentile of the "Top" and "Next" levels are maximum figures with the discretion on the part of the Governing Board/Management to decrease the figures and distribute them to the "Remaining" level.*

- 6.3. Posting of the System of Ranking Individuals.** – The GOCCs shall post in their respective Transparency Seals the guidelines/mechanics in ranking the officers and employees according to the mechanism herein stated.
- 7. RELEASE OF PBB.** – The Board of Directors shall ensure that the PBB will only be released to eligible and qualified officers and employees only upon the receipt of the authorization letter from the GCG.
- 8. FLEXIBILITY.** – The multiples herein are intended to provide a cap on the PBB that may be distributed by a GOCC. However, nothing herein shall be construed to limit the business judgment or authority of the Governing Board, when giving due regard to the financial condition and existing policies of a particular GOCC, to proportionately reduce the multiples to be distributed under Section 6 herein.
- 9. SUPERVENING EVENT.** – The foregoing provisions notwithstanding, the GCG may deny or adjust the PBB to be granted a GOCC in case of supervening events that significantly prejudice the financial position of the GOCC for that year, as determined by the GCG.
- 10. GRIEVANCE MECHANISM.** – The Governing Board through Management shall set up a Complaints Mechanism to respond to the PBB-related issues and complaints raised by Officers and Employees.
- 11. FUNDING FOR THE PBB.** – The funding to support the PBB System herein shall be charged by GOCCs from their respective corporate funds, subject to the approval of their respective Governing Boards in accordance with applicable laws, rules and regulations. However, it shall be prohibited to source the payment of the PBB from the followings
- (a) Loans;
  - (b) Subsidy from the NG for the GOCC's operations, except for subsidy income or subsidy given by DBM precisely for the payment of the PBB; and
  - (c) Sale of the GOCC's asset(s) for the sole purpose of paying the PBB and is otherwise not in the ordinary course of business.
- 12. CHECKLIST AND TIMELINE.** – GOCCs applying to grant the PBB within their respective corporations shall submit the complete required documents enumerated in **Annex A** strictly in accordance with the prescribed forms and within one year from receipt of the GCG-validated Performance Scorecard.
- 13. EFFECT OF SUBMISSION AND NON-SUBMISSION ON THE PRESCRIBED PERIOD.** – GOCCs that submitted all the required documents on the given deadline may be authorized to grant their PBB upon receipt of the authorization letter from the GCG. Failure to submit the required documents within the deadline shall



automatically disqualify the GOCC to grant the PBB to its Officers and Employees for the applicable year.

- 14. EFFECTS OF NON-COMPLIANCE/ PROHIBITED ACTS.** – A GOCC, which after due process by the GCG, has been determined to have committed the following prohibited acts, may be disqualified from the PBB in the **succeeding year** of its implementation. Moreover, the erring GOCC shall be subject to criminal and/or administrative action:
- 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 M.C. *Provided*, however, that if the misrepresentation was discovered during the validation stage, the GOCC shall be ineligible to the grant of PBB for the current performance period;
  - b. Evenly distributing the PBB among employees in an agency, in violation of the policy of paying the PBB based on the individual ranking; and
  - c. Releasing the PBB without authorization from the GCG.
- 15. REPEALING CLAUSE.** – All other issuances related to the PBB for GOCCs under R.A. No. 10149 is hereby revoked, repealed or modified accordingly.
- 16. EFFECTIVITY.** – This Circular shall take effect immediately upon its publication in the Commission's website at [www.gcg.gov.ph](http://www.gcg.gov.ph).

**SAMUEL G. DAGPIN, JR.**  
*Chairman*

  
**MICHAEL P. CLORIBEL**  
*Commissioner*

  
**MARITES C. DORAL**  
*Commissioner*

**CHECKLIST OF DOCUMENTS TO BE SUBMITTED FOR THE GRANT OF  
PERFORMANCE-BASED BONUS (PBB)**

DOCUMENTARY REQUIREMENTS	FORM OF SUBMISSION <sup>1</sup>
(a) Board Resolution authorizing the grant of PBB in accordance with applicable laws, rules and regulations, <u>signed by the Principal Board Members</u> ( <b>PBB Form 1</b> )	Hard copy
(b) Omnibus Certification ( <b>PBB Form 2</b> )	Hard copy
(c) Schedule and summary of the distribution of the PBB to qualified Officers and Employees who will receive the PBB and those who are in the "Below Satisfactory" category ( <b>PBB Forms 3a and 3b</b> )	Electronic and hard copies
(d) <u>Payment of all statutory liabilities:</u> <ol style="list-style-type: none"> <li>a. <u>Tax clearance from BIR;</u></li> <li>b. <u>Certification/Validation from DOF on the payment of dividends and NG advances;</u></li> <li>c. <u>Certification/Validation from GSIS/SSS, Pag-IBIG, and PhilHealth.</u></li> </ol>	Hard copy

<sup>1</sup> Electronic copies shall be submitted to the GCG through a CD or flash drive.





## BOARD RESOLUTION NO. \_\_\_\_\_

ADOPTING THE [YEAR] PERFORMANCE-BASED BONUS SYSTEM FOR [GOCC NAME] IN ACCORDANCE WITH EXECUTIVE ORDER No. 80, s. 2012 AND GCG MEMORANDUM CIRCULAR No. 2019-02.

WHEREAS, on 20 July 2012, President BENIGNO S. AQUINO III issued Executive Order (E.O.) No. 80, s. 2012, which directed the Governance Commission for GOCCs (GCG) to issue the necessary guidelines for the Performance-Based Incentive(PBI)System of GOCCs under GCG's jurisdiction;

WHEREAS, GCG Memorandum Circular (M.C.) No. 2019-02 established the rules and regulations for the Interim Performance-Based Bonus (PBB) System for Qualified Officers and Employees of GOCCs covered by GCG pursuant to the "GOCC Governance Act of 2011" (R.A. No. 10149);

WHEREAS, result of the validation conducted by the GCG showed that [GOCC ACRONYM] has attained a weighted-average of % , and has complied with all Good Governance Conditions, pursuant to GCG M.C. No. 2019-02;

WHEREAS, E.O. No. 80 requires that the funds for the grant of PBB in GOCCs shall be charged against their respective corporate funds, subject to the approval of their respective governing boards; and

WHEREAS, no other performance-based incentive or its equivalent has been granted to the Officers and Employees of [GOCC ACRONYM] for [YEAR].

BE IT –

RESOLVED, the Board hereby APPROVES the following:

1. Application with GCG for authorization to grant the [YEAR] PBB for Qualified Officers and Employees based on their Percentile Ranking within their respective levels, and the applicable rate of incentive.
2. Allocation of an amount not exceeding [AMOUNT IN WORDS BASED ON PBB FORM 3] (P ), chargeable against corporate funds, for the grant of the [YEAR] PBB to qualified Officers and Employees; *Provided*, the grant of the [YEAR] PBB is subject to the approval and/or adjustment by the GCG.
3. Authorization of the Chairperson of the Governing Board, the Chief Executive Officer, Heads of Finance and Planning or their equivalent in authority and area of responsibility, Chairperson of the Bids and Awards Committee and other Officers concerned, to certify and attest under oath the veracity of all information disclosed in the submitted documents required in GCG M.C. No. 2019-02 and such other documents that may be required by GCG.

DONE, this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ at [City/Municipality, Province], Philippines.

**[To be signed by all Principal Members of the Governing Board]**

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_, Affiants exhibited to me their respective Government issued IDs bearing their photo:

Name of Appointive Director	Type of Government ID	To Expire on

Doc. No. \_\_\_\_\_;

Page No. \_\_\_\_\_;

Book No. \_\_\_\_\_;

Series of 20\_\_\_\_



**OMNIBUS CERTIFICATION**

This is to certify to the following:

1. The **[GOCC NAME]** achieved a GCG-validated score of **\_%** on its **[YEAR]** Performance Scorecard.
2. The **[GOCC NAME]** complied with all Good Governance Conditions, to wit:
  - (a) Payment in full of all statutory liabilities, namely:
    - i. All taxes due to the Government;
    - ii. Declaration and payment of all dividends to the State due for **[dividend year]**;
    - iii. Payment of NG Advances;
    - iv. Payment of mandatory premiums due for **[PBB YEAR]** to the Government Service Insurance System (GSIS), Social Security System (SSS), Home Development Mutual Fund (Pag-IBIG), and Philippine Health Insurance Corporation (PhilHealth);
  - (b) Implement the **[GOCC ACRONYM]** "Manual of Corporate Governance" and "No Gift Policy" approved by the GCG and uploaded on the GOCC's website pursuant to the "Code of Corporate Governance for GOCCs" and amendments thereto;
  - (c) "Revised Whistleblowing Policy for the GOCC Sector" and amendments thereto;
  - (d) Executive Order on Freedom of Information: Executive Order No. 2, s. 2016
  - (e) Uploading on the official website of **[GOCC ACRONYM]** for unrestricted public access the disclosure requirements enumerated under Section 43 of GCG M.C. No. 2012-07.
3. The **[GOCC NAME]** complied with the following Other Conditions and Requirements (OCRs): **[Note: GOCC to omit OCR not complied]**
  - (a) Maintain and/or attain certification on the GOCC's Quality Management System (QMS).
  - (b) Timely submission of Annual Procurement Plan (APP) pursuant to applicable rules and regulations.
  - (c) Timely submission of Corporate Operating Budgets (COBs) to the Department of Budget and Management.
  - (d) Implementation of the prior year's audit recommendations, submission to the GCG of audit observations and notices of disallowances within seven (7) working days from the time it received the same from the Commission on Audit (COA), all written communications between the GOCC and COA on such matters, which shall include, but not limited to, the concrete and time bound action plans for addressing the observations and allowances.
  - (e) Submission of reports using the web forms provided in the "Integrated Corporate Reporting System" (ICRS).

- (f) Submission of all required forms for the Director Performance Review (DPR) pursuant to the "Performance Evaluation for Directors (PED)" and amendments thereto.
4. Pursuant to Section 5(b) of E.O. 80 and GCG M.C. No. 2019-02, the funding allocated for the [YEAR] Performance-Based Bonus (PBB) and approved by the Governing Board has been sourced from corporate funds, which have not been sourced from any of the following:
- (a) Loans;
  - (b) Subsidy from the NG for the GOCC's operations, except for subsidy income or subsidy given by DBM precisely for the payment of the PBB; and
  - (c) Sale of the GOCC's asset(s) for the sole purpose of paying the PBB and is otherwise not in the ordinary course of business.

Furthermore, the allocation of the budget for the PBB is in accordance with all other applicable laws, rules and regulations.

5. That [AMOUNT IN WORDS BASED ON PBB FORM 3] (P. ) is available for the grant of the PBB for [YEAR], as approved under Board Resolution No. \_\_, s. \_\_ and confirmed by [HEAD OF FINANCE].

This certification is being issued to attest the truth and accuracy of all the information contained herein based on our personal knowledge, available records and information that can be easily verified with [GOCC ACRONYM].

DONE, this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ at [City/Municipality, Province], Philippines.

\_\_\_\_\_  
Chairperson, Board of Directors

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Compliance Officer / Corporate  
Secretary

\_\_\_\_\_  
Head of Finance

\_\_\_\_\_  
Head of Budget

\_\_\_\_\_  
Head of Planning

\_\_\_\_\_  
Chairman, Bids and Awards  
Committee



SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_, Affiants exhibited to me their respective Government issued IDs bearing their photo:

Name of Appointive Director/GOCC Officer	Type of Government ID	To Expire on

Doc. No. \_\_\_\_\_;

Page No. \_\_\_\_\_;

Book No. \_\_\_\_\_;

Series of 20\_\_.

### SUMMARY OF RANKING OF ELIGIBLE OFFICERS AND EMPLOYEES OF [GOCC ACRONYM]

**[Notes on the Form:** Below is an illustration of the PBB distribution of employees. The submission must comply with the following format provided on this Annex. The required information from the GOCC shall consist of two tables: (1) A summary showing the rank and distribution for each personnel group, with corresponding PBB amount based on the percentile rank; and (2) a schedule of the actual and applicable PBB distribution on a per-employee basis. **Reason for the disqualification of an employee should also be provided.** Delete notes before printing.]

Rate of Incentive (% MBS)	Distribution	No. of Personnel	PBB Amount (P)
<b>Senior Management</b>			
65.0%	%		
57.5%	%		
50.0%	%		
Below Satisfactory	-		
Disqualified	-		
	<b>Total</b>	<b>0</b>	<b>0.00</b>
<b>Middle Management</b>			
65.0%	%		
57.5%	%		
50.0%	%		
Below Satisfactory	-		
Disqualified	-		
	<b>Total</b>	<b>0</b>	<b>0.00</b>
<b>Professional and Supervisory</b>			
65.0%	%		
57.5%	%		
50.0%	%		
Below Satisfactory	-		
Disqualified	-		
	<b>Total</b>	<b>0</b>	<b>0.00</b>
<b>Clerical/General Staff</b>			
65.0%	%		
57.5%	%		
50.0%	%		
Below Satisfactory	-		
Disqualified	-		
	<b>Total</b>	<b>0</b>	<b>0.00</b>
<b>GRAND TOTAL</b>		<b>0</b>	<b>0.00</b>

Head of Finance

Head of Human Resources



## SCHEDULE OF PBB DISTRIBUTION [GOCC ACRONYM]

Rank	Employee Code	Position	Rate of Incentive (% MBS)	Salary/ Job Grade	Step Increment (if applicable)	SG Equivalent (for SSL-exempt)	Monthly Basic Salary	PBB Amount (P)
<b>Senior Management</b>								
Top			65.0%					0.00
<i>Sub-total</i>								
Next			57.5%					0.00
<i>Sub-total</i>								
Remaining			50.0%					0.00
<i>Sub-total</i>								
<b>Total: Senior Management</b>								
<b>Below Satisfactory</b>								
<i>Sub-total</i>								
<b>Disqualified</b>								
<i>Sub-total</i>								
<b>Middle Management</b>								
Top			65.0%					0.00
<i>Sub-total</i>								
Next			57.5%					0.00
<i>Sub-total</i>								
Remaining			50.0%					0.00







[illegible]



## **GCG MEMORANDUM CIRCULAR NO. 2021-02**

**SUBJECT : GOOD GOVERNANCE CONDITIONS (GCGs) AND OTHER CONDITIONS AND REQUIREMENTS (OCRs) FOR THE GRANT OF INTERIM PERFORMANCE-BASED BONUS (PBB)**

**DATE : 06 SEPTEMBER 2021**

- 1. BACKGROUND AND PURPOSE.** – This Circular is issued to clarify and update the requisite Good Governance Conditions (GCGs) and Other Conditions and Requirements (OCRs) for the application and grant of the Interim Performance-Based Bonus (PBB) to qualified Officers and Employees of GOCCs covered under Republic Act (R.A.) No. 10149, pursuant to Executive Order (E.O.) No. 80, s.2012.
- 2. COVERAGE.** – This Circular shall cover GOCCs with GCG-approved Performance Scorecards starting 2021 and onwards.
- 3. UPDATED GOOD GOVERNANCE CONDITIONS (GCGs) AND OTHER CONDITIONS AND REQUIREMENTS (OCRs).** – Items 4.2 and 4.3 of GCG Memorandum Circular (M.C.) No. 2019-02 is hereby amended to read as follows:

X X X

**4.2. Satisfy 100% of the Good Governance Conditions (GCGs) as follows:**

**4.2.1 Conditions Specific to GOCCs:**

- (a) The GOCC has satisfied all statutory liabilities, including:**
  - i. payment of all taxes due to the Government as certified/validated by the Bureau of Internal Revenue;
  - ii. declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable, as certified/validated by the Department of Finance (DOF);
  - iii. payment of NG Advances as certified/validated by the DOF; and
  - iv. remittance of mandatory contributions as certified/validated by the following agencies: GSIS or SSS, Pag-IBIG, and PhilHealth.
- (b) Maintain/update and implement the GOCC's "Manual of Corporate Governance" and "No Gift Policy" approved by the GCG and uploaded on the GOCC's website pursuant to the "Code of Corporate Governance for GOCCs" and amendments thereto;**
- (c) Compliance with all the requirements mentioned in the "Revised Whistleblowing Policy for the GOCC Sector" and amendments thereto;**



- (d) Compliance with the Executive Order on Freedom of Information: Executive Order No. 2, s.2016 as certified/validated by the Presidential Communications Operations Office (PCOO);
- (e) Compliance with posting on the GOCC's website the information enumerated under Section 43 of the "*Code of Corporate Governance for GOCCs*" and amendments thereto;<sup>1</sup> and
- (f) Compliance with the applicable financial reporting framework (e.g. PFRS, PPSAS) as certified/validated by the Commission on Audit (COA).

**4.2.2 Non-compliance with any of the GGCs will render the entire GOCC ineligible for the PBB.**

**4.3. Other Conditions and Requirements (OCRs). – All GOCCs are required to comply with the following conditions and requirements:**

- (a) Maintain and/or attain certification on the GOCC's Quality Management System (QMS) or its equivalent certification;
- (b) Timely submission and posting of Annual Procurement Plans (APP) and results of the Agency Procurement Compliance and Performance Indicator (APCPI) system pursuant to applicable rules and regulations;
- (c) Timely submission of Corporate Operating Budgets (COBs) to the Department of Budget and Management (DBM);
- (d) Submission to the GCG of audit observations and notices of disallowances within seven (7) working days from the time it was received from the COA, all written communications between the GOCC and COA on such matters, which shall include, but not limited to, the concrete and time bound actions plans for addressing the audit observations and notices of disallowances;
- (e) Compliance and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to the policies and guidelines under "*Policies and Guidelines on the Integrated Corporate Reporting System (ICRS) for the GOCC Sector*" and amendments thereto;
- (f) Compliance by all Appointive Directors of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to the "*Performance Evaluation for Directors (PED)*" and amendments thereto;
- (g) Timely submission of the year-end financial statements and other related financial reports to the COA; and
- (h) Other conditions common to National Government Agencies and GOCCs as stated in the applicable AO 25 IATF PBB Circular, including but not limited to:
  - i. Updating of Transparency Seal (TS);

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<sup>1</sup> All information and documents required to be posted on the GOCC's website by December 31.

- ii. Updating of Citizen's or Service Charter;
- iii. PhilGEPS posting of all invitations to bid and awarded contracts;
- iv. Implementation of the prior year's audit recommendations; and
- v. Undertaking of early procurement activities.

4.3.1 Officials and employees responsible for the compliance and implementation of the OCRs, shall not be entitled to the PBB for the applicable year if the GOCC fails to comply with any of these requirements.

4. **CHECKLIST AND TIMELINE.** – GOCCs applying to grant the PBB within their respective corporations shall submit its application after it has completed the required documents enumerated in **Annex A** in accordance with the prescribed forms and within one (1) year from receipt of the GCG-validated Performance Scorecard.

5. **EFFECTIVITY.** – This Circular shall take effect immediately upon its publication in the Commission's website at [www.gcg.gov.ph](http://www.gcg.gov.ph).

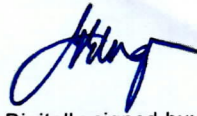
All other provisions of GCG M.C. No. 2019-02 remain applicable, unless otherwise revised by the Governance Commission.



Digitally signed by:  
**CHAIRMAN SAMUEL G. DAGPIN, JR.**



Digitally signed by:  
**COMMISSIONER MICHAEL P. CLORIBEL**



Digitally signed by:  
**COMMISSIONER MARITES C. DORAL**

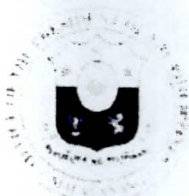


**CHECKLIST OF DOCUMENTS TO BE SUBMITTED FOR THE GRANT OF  
PERFORMANCE-BASED BONUS (PBB)**

DOCUMENTARY REQUIREMENTS	FORM OF SUBMISSION
(a) Board Resolution authorizing the grant of PBB in accordance with applicable laws, rules and regulations, signed by <u>majority of the Board Members</u> ( <b>PBB Form 1</b> )	Hard Copy
(b) Omnibus Certification ( <b>PBB Form 2</b> )	Hard Copy
(c) Schedule and summary of the distribution of the PBB to qualified Officers and Employees who will receive the PBB and those who are in the "Below Satisfactory" category ( <b>PBB Forms 3a and 3b</b> )	Electronic* and Hard Copies
(d) Payment of all statutory liabilities:  i. Tax clearance from BIR <u>in accordance with BIR Revenue Memorandum Circular No. 32-2021</u> ; and  ii. Certification/Validation from GSIS or SSS, Pag-IBIG Fund, and PhilHealth.	Hard Copy

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\* Electronic copies should be submitted to the GCG through a CD, flash drive, or online link.



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

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**MEMORANDUM CIRCULAR NO. 2021- 1**

**June 3, 2021**

**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 (PBB) FOR FISCAL YEAR (FY) 2021 UNDER EXECUTIVE ORDER NO. 80, S. 2012 AND EXECUTIVE ORDER NO. 201, S. 2016**

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**1.0 PURPOSE**

This Circular is being issued to prescribe the criteria and conditions on the grant of the PBB for FY 2021 performance, to be given in FY 2022. The overarching goal of the PBB is to strengthen the effectiveness of the incentives system to help agencies achieve the mission-critical objectives and expected outcomes of the government. For the FY 2021 cycle, the PBB criteria and conditions were hence refined in order to:

- a. Simplify the PBB process particularly the validation of compliance;
- b. Provide flexibility to the agencies in the implementation of the scheme;
- c. Reinforce the results focus and their inter-linkages *e.g., budget utilization and physical accomplishment*, in assessing the overall performance of agencies;
- d. Administer a more transparent PBB scoring system;
- e. Strengthen the role of agencies in ensuring accountability of units/individuals responsible for the criteria and conditions; and,
- f. Facilitate the timely release of incentives to eligible agencies.

In line with this, the FY 2021 PBB shall measure and evaluate the performance of agencies with emphasis on the public's satisfaction on the realization of the agencies' performance targets, quality of service delivery, efficiency in the use of resources, and strengthened agency stewardship. In relation to the targets in previous PBB cycles, the FY 2021 PBB criteria and conditions shall be categorized according to four (4) dimensions of accountability: **Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results**. Given the progress achieved in the Good Governance Conditions (GGCs), these shall no longer be included in the criteria to assess the overall eligibility of the agency for FY 2021 PBB. However, since



the observance of these conditions shall still be used to determine the eligibility of delivery units and individuals, the monitoring of their compliance shall now be the primary responsibility of the Heads of Agencies.

This Circular also specifies the modifications in the PBB assessment process to make the PBB Scoring System clear and explicit. The scoring system aims to simplify and make the final eligibility assessment more transparent, and enable agencies to undertake self-assessment vis-à-vis the criteria and conditions to ascertain if they could qualify for the grant of the FY 2021 PBB. However, the AO 25 Inter-Agency Task Force (AO 25 IATF) shall still determine the final eligibility of agencies.

## 2.0 COVERAGE

The FY 2021 PBB covers all departments, bureaus, offices, and other agencies of the National Government, including Constitutional Commissions, Other Executive Offices (OEOs), 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).

2.1 The implementation of this Circular shall be done in close coordination with the following agencies:

- 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 RA No. 10149;
- e. Local Water Utilities Administration (LWUA) for LWDs; and
- f. Department of the Interior and Local Government (DILG) for LGUs.

2.2 The personnel of agencies holding regular, contractual, and casual positions are covered by this Circular. Excluded from the coverage herein are individuals engaged without employer-employee relationship and funded from non-Personnel Services (PS) budget.

## 3.0 ELIGIBILITY CRITERIA

To be eligible for the grant of the FY 2021 PBB, each agency 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 as will be discussed in detail in Section 4.0. Please refer to *Annex 1: Master List of Departments/Agencies*

In the context of the FY 2021 PBB, the **Performance Results** refer to the accomplishment of the Congress-approved performance targets under the Performance-Informed Budgeting (PIB) of the FY 2021 General Appropriations Act



(GAA). This physical target is an existing eligibility criterion for SUCs and is only reinstated in the case of the national government agencies (NGAs). **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. This is an existing criterion for NGAs and the GOCCs covered by the DBM. **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 FY 2021 GAA. The Disbursements BUR as well is a prevailing common target of all agencies. Another existing criterion for all agencies, the **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. See *Section 5.0 for details on Agency Accountabilities*.

#### 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.

TABLE 1: FY 2021 PBB SCORING SYSTEM						
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	20 pts	25pts
<b>TOTAL SCORE</b>		<b>MAXIMUM = 100 POINTS</b>				

As can be gleaned in Table 1, a performance rating of 4 in all criteria will yield a total score of 80 points for the agency. 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 case, while the agency will be eligible, the unit 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.

- a. For NGAs, GOCCs covered by the DBM, and SUCs, achieve each one of the Congress-approved performance targets under the PIB of the FY 2021 GAA;



- b. For GOCCs covered by RA No. 10149, achieve the physical targets reflected in their approved FY 2021 Performance Scorecard and eligibility requirements specified in a separate guideline to be issued by the GCG;
- c. For LWDs, achieve each one of the physical targets as identified by LWUA in a Joint Memorandum Circular to be issued by LWUA and DBM; and,
- d. For LGUs, achieve the performance targets based on the Guidelines on the Grant of the PBB for LGUs to be issued by the DILG and DBM.

The agency performance in the achievement of targets shall be closely monitored through the use of the submitted Unified Reporting System (URS) – generated Budget and Financial Accountability Reports (BFARs) to indicate the progress towards the accomplishment of broader sectoral and societal outcomes targeted by the agency for improving the lives of Filipinos.

The quarterly BFARs of the agencies, as uploaded in the DBM URS, shall be submitted in a timely manner, *i.e.*, within thirty (30) days after the end of each quarter, as provided under Item 3.15.2 of National Budget Circular No. 583, pursuant to Section 90, General Provisions of Republic Act No. 11518 (FY 2021 GAA). BFARs will be used to monitor and validate agency accomplishments.

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.

- a. For departments/agencies and GOCCs covered by the DBM, 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.
- b. For SUCs, the target is to assure quality of service delivery through ISO-certified QMS or its equivalent certification of frontline services.



Agencies should report and provide the objectively verifiable evidence of their achievements in ease of doing business or ease of transaction from the perspective of the transacting public *e.g., actual reduction in processing time, documentary requirements, transaction costs, and other tangible improvements.* Agencies may use the *Modified Form A* to report their streamlining and digitization accomplishments. The ISO-certified QMS or its equivalent certification for frontline services, service delivery standards manual, and the like may be used as evidence to the standardization achievements of the agency.

The Process Results shall be assessed and scored as follows:

TABLE 3: RATING SCALE FOR PROCESS RESULTS					
AGENCY	1	2	3	4	5
<b>a. For departments/agencies and GOCCs covered by the DBM</b>	No demonstrated ease of transaction	Achieved targets to ease transaction (streamlining, digitization, standardization) only for <b>non-frontline services</b>	Achieved targets to ease transaction (streamlining, digitization, standardization) in <b>less than 80% of frontline services</b>	Achieved targets to ease transaction (streamlining, digitization, standardization) in <b>at least 80% of frontline services</b>	Achieved targets to ease transaction (streamlining, digitization, standardization) in <b>all frontline services</b>
<b>b. For SUCs</b>	No demonstrated standardization/quality assurance	Achieved ISO-certification or its equivalent certification only for <b>non-frontline services</b>	Achieved ISO-certification or its equivalent certification for <b>less than 80% of frontline services</b>	Achieved ISO-certification or its equivalent certification for <b>at least 80% of frontline services</b>	Achieved ISO-certification or its equivalent certification for <b>all frontline services</b>

- 4.3 Financial Results.** For agencies and GOCCs covered by the DBM, attainment of the FY 2021 Disbursement BURs; and for SUCs likewise achieve the FY 2021 Disbursements BUR and the FY 2021 Earmarked Income targets.

Targets under Financial Results reflect final payments made from the agency's annual budget allotment to realize their committed programs and projects based on the valid appropriations for FY 2021. Hence for FY 2021, agencies shall accomplish the following Disbursements BUR:

- a. Disbursements BUR** is measured by the ratio of total disbursements (cash and non-cash, excluding PS) to the total obligations for MOOE and CO made in 2021, net of goods and services obligated by December 31, 2020, but paid only in 2021. The **total obligations for MOOE and CO** shall refer to those made from the FY 2021 GAA, FY 2020 GAA, and Bayanihan II appropriations due to their extension under RA No. 11519<sup>1</sup> and RA No. 11520<sup>2</sup>. The objective is to measure the disbursements for the obligations for MOOE and CO made in 2021 from all valid appropriations. These shall be net of transfers to the Procurement Service (PS), the Philippine International Trading Corporation (PITC), and implementing agencies and units which have still to be implemented and outputs delivered. Hence:

$$\text{Disbursements BUR} = \frac{\text{Total Disbursements (cash and non-cash, excluding PS), net of payments made in 2021 for past years' obligations}}{\text{Total Obligations (excluding PS, from valid appropriations)}}$$

Where Total Disbursements is net of transfers to PS, PITC, and other implementing agencies which have not been delivered.

<sup>1</sup> An Act Extending the Availability of Appropriations Under Republic Act No. 11494, Otherwise Known as the "Bayanihan to Recover as One Act"

<sup>2</sup> An Act Extending the Availability of the 2020 Appropriations to December 31, 2021, Amending for the Purpose Section 60 of the General Provisions of Republic Act No. 11465 or the General Appropriations Act of Fiscal Year 2020



**b. BUR for GOCCs is computed as follows:**

**Disbursements BUR = Total Actual Disbursement/Total Actual Obligations (both net of PS)**

**c. Agencies with fund transfers** either for operating or program subsidies or both, shall also achieve and report the same Disbursements BUR for NGAs for all the subsidy releases for 2021 from the three appropriations sources above.

**d. BUR for SUCs is computed as follows:**

**d.1 Disbursements BUR is the same as those for agencies.**

**d.2** Since all earmarked income of the SUCs (*e.g., trust funds, internally generated income, and revolving funds*) should benefit and improve the SUCs operations, its Disbursements utilization rates will also be reported following the formats in *Annexes 5, 5.1, and 5.2: FY 2021 GAA Accomplishments, BUR Form for SUCs, and All Earmarked Income.*

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

TABLE 4: RATING SCALE FOR FINANCIAL RESULTS				
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); and for LWDs and GOCCs covered by RA No. 10149, accomplish and submit reports on Client Satisfaction or feedback system as prescribed by LWUA and GCG.

**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.*

LWDs and GOCCs covered by RA No. 10149 shall report the results of their CCSS or feedback mechanism based on the standard methodology and corresponding questionnaire prescribed by LWUA and GCG.



- 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:

TABLE 5: RATING SCALE FOR CITIZEN/CLIENT SATISFACTION RESULTS				
1	2	3	4	5
No submission/ Did not conduct CCSS	Average to low 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	High satisfaction rate without #8888/CCB complaints

## 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	f. PhilGEPS posting of all invitations to bids and awarded contracts
b. Compliance with the Freedom of Information (FOI) Program	
c. Updating of Citizen's or Service Charter	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
d. Compliance to Audit Findings and Liquidation of Cash Advances	
e. Submission and Review of SALN	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.



## **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 unit/s most responsible for deficiencies shall be isolated.
- a.** Based on Table 1, to be eligible for the FY 2021 PBB, the agency must attain a total score of at least 70 points. To be able to attain at least 70 points, the agency should achieve a performance rating of 4 in at least three (3) criteria. In such case, while the agency 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.
- 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** Department Secretaries, Heads of OEOs, Chairpersons, and Commissioners of Constitutional Offices, Heads of Attached Agencies, Presidents of SUCs, and non-ex officio Heads of GOCCs covered by the DBM are eligible only if their respective agencies are eligible. If eligible, their 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** Non-ex officio Board Members of GOCCs covered by the DBM may be eligible to the PBB with the equivalent rates following Section 7.0 and these conditions:
- a.** The GOCC has qualified for the grant of the FY 2021 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 aggregated service in the position; and
  - d.** The GOCC has submitted the appropriate annual Board-approved Corporate Operating Budget to DBM following the Corporate Budget Circular No. 22 dated December 1, 2016.
- 6.5** For SUCs, in case there is a change in leadership within the year, the SUC President who served the longest shall be entitled to the PBB with the equivalent rates following the provisions stated in Section 7.0.
- The PBB rate of the SUC President who served for a shorter period shall be based on the eligibility of the SUC where he/she served the longest.
- 6.6** To be eligible for FY 2021 PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least "Very Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the CESB.



- 6.7** Personnel in detail to another government agency for six (6) months or more shall be included in the recipient agency that rated his/her performance. The payment of the PBB shall come from the mother agency.
- 6.8** Personnel who transferred from one government agency to another agency shall be included 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.
- 6.9** 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 the PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in Section 6.11.
- 6.10** An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least a Very Satisfactory rating may be eligible for the full grant of the PBB.
- 6.11** An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least a Very 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:

<b>LENGTH OF SERVICE</b>	<b>% OF PBB</b>
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; and/or
  - h. Sabbatical Leave.
- 6.12** An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible for the grant of the PBB.
- 6.13** 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.



- 6.14 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.
- 6.15 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:

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

## 8.0 TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

- 8.1 The quarterly BFARs of the agencies, as uploaded in the DBM URS, shall be submitted in a timely manner, *i.e.*, within thirty (30) days after the end of each quarter, as provided under Item 3.15.2 of National Budget Circular No. 583, pursuant to Section 90, General Provisions of Republic Act No. 11518 (FY 2021 GAA). BFARs will be used to assess and validate Performance Results.
- 8.2 All agencies should submit evidence of accomplishments of Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results (as provided in Section 4.0) on or before **February 28, 2022**. Agencies are encouraged to make an electronic submission (scanned copy of the official submission and editable MS Word or Excel files for use of the AO 25 Secretariat).



- 8.3** Agencies shall ensure that all explanations and justifications for deficiencies are already attached in their submission.
- 8.4** The AO 25 IATF shall conduct spot checks to validate claims and certifications made by the agencies on their submitted/posted reports and/or requirements.
- 8.5** Agencies are encouraged to provide information to the AO 25 Secretariat on compliance with the Agency Accountabilities provided in Section 5.0.

## **9.0 EFFECTS OF NON-COMPLIANCE**

A Department/Agency/GOCC/LWD/LGU, which, after due process by the over-seeing agency has been determined to have committed a prohibited act, shall be disqualified from the PBB in the succeeding year of its implementation.

Moreover, the CSC or Ombudsman shall file the appropriate administrative case for misrepresentation in the submitted/posted reports and requirements for the PBB, a commission of fraud in the payment of the PBB, and violation of the provisions of this Circular.

## **10.0 COMMUNICATION AND CHANGE MANAGEMENT**

**10.1** Head of Agencies with the support of their PMTs should enhance the implementation of their internal communications strategy on the PBB and fulfill the following:

- a.** Engage their respective employees in understanding the PBB, the performance targets of their respective agencies, as well as the services and outputs that they will need to deliver to meet these targets.
- b.** Disseminate the performance targets and accomplishments of their 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 agencies. The Help Desk may be a facility that is embedded in the respective websites of agencies.
- d.** Set up a Complaints Mechanism to respond to the PBB-related issues and concerns raised by officials and employees of their respective agencies. Such may be incorporated in the functions of their Grievance Committee.

**10.2** The 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 PMT and to recommend strategies to instill a culture of performance within the agency. The name, position, and contact details (e-mail, landline, facsimile, cellular phone) of PBB focal persons should be submitted to the AO 25 Secretariat.



**10.3 The AO 25 IATF shall maintain the following communication channels:**

1. AO 25 Secretariat at [ao25secretariat@dap.edu.ph](mailto:ao25secretariat@dap.edu.ph)
2. RBPMS website [www.rbpms.dap.edu.ph](http://www.rbpms.dap.edu.ph)
3. Telephone: (02) 8400-1469, (02) 8400-1490, (02) 8400-1582
4. Facebook: [www.facebook.com/PBBsecretariat](https://www.facebook.com/PBBsecretariat)

**11.0 APPLICABILITY TO THE CONSTITUTIONAL BODIES, LEGISLATIVE AND JUDICIAL BRANCHES**

The Congress, the Judiciary, and Constitutional Commissions are encouraged to follow these guidelines to be eligible for the FY 2021 PBB.

**12.0 EFFECTIVITY CLAUSE**

This Memorandum Circular shall take effect immediately.

Certified true copies shall be posted on the RBPMS website and the Official Gazette, and shall be filed at the University of the Philippines Law Center.

  
**WENDEL E. AVISADO**

Secretary, Department of Budget and Management  
and Chairman, AO 25 Inter-Agency Task Force 