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BULAN WATER DISTRICT
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MEMORANDUM: PBB – 0001 – 2023

DATE: AUGUST 25, 2023

TO: ALL BWD EMPLOYEES

SUBJECT: **GUIDELINES ON THE GRANT OF THE PERFORMANCE-BASED BONUS (PBB)
FOR FISCAL YEAR (FY) 2023 UNDER EXECUTIVE ORDER NO. 80, S. 2012
AND EXECUTIVE ORDER NO. 201, S. 2016**

In compliance to the Joint Memorandum Circular No. 2023 – 1 dated August 22, 2023 – Guidelines on the Grant of the Performance Based Bonus for Fiscal Year 2023 under Executive Order No. 80 s. 2012 and Executive Order No. 201 s. 2016. Please be informed of the said guidelines attached hereto which is formulated to provide the system of ranking and delivery units which shall be forced ranked for the distribution of PBB 2023 Incentives within the Bulan Water District.

In this regard, the implementation of the Guidelines shall take effect immediately.

For your compliance.


ENGR. REY DENNIS L. GILBAS
General Manager C



GUIDELINES ON THE GRANT OF THE PERFORMANCE-BASED BONUS (PBB) FOR FISCAL YEAR (FY) 2023 UNDER EXECUTIVE ORDER NO. 80, S. 2012 AND EXECUTIVE ORDER NO. 201, S. 2016

I. PURPOSE

This order is being issued to prescribe the criteria and conditions on the grant of the PBB FY 2023 performance, to be given in FY 2024. 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 2022 cycle shall continue to observe the simplified PBB scheme. The FY 2022 PBB will sustain focus on results especially on the delivery of agency performance commitments and optimum utilization of agency budget and make stronger the roles of agencies in ensuring accountability for results of their delivery units. Further, the FY 2022 PBB shall measure and evaluate agency performance highlighting the public's satisfaction with the quality of public service delivery, utilization of resources and strengthened agency stewardship. The FY 2022 PBB shall facilitate a more transparent and objective assessment of performance and timely release of the PBB to eligible agencies.

In line with this, the FY 2023 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.

II. COVERAGE

These guidelines shall apply to all officials and employee of eligible Bulan Water District delivery units holding regular plantilla positions.

III. ELIGIBILITY OF CRITERIA

To be eligible for the grant of the GY 2023 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 and achieve at least a rating of 4 for at least three (3) in the four (4) dimensions of accountability based on the PBB Scoring System as will be discussed in detail.

The FY 2023 **Performance Results** refer to the accomplishment of the Congress approved performance targets under the Performance Informed Budgeting (PIB) of the FY 2023 General Appropriations Act (GAA). The **Process Results** refer to the achievements in ease of doing business/ease of transaction with the agency as a result

of streamlining, digitization, standardization, systems and procedures re-engineering, and other related improvements. The **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 2023 GAA. The **Citizen/Client Satisfaction Results** refer to the achievements in satisfying the quality expectations of the transacting public/client.

For FY 2023, the Agency Accountability requirements discussed in Section 5.0 shall be maintained and used to determine the eligibility of responsible units and individuals.

IV. FY 2023 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 2023 PBB, the agency must attain a **total score of at least 70 points, and achieve at least a rating of 4 for at least 3 criteria.**

| TABLE 1: FY 2023 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 | 20PTS | 25PTS |

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. The unit/s most responsible (including its head) for the criteria with a performance rating of below 4, will be isolated from the grant of the FY 2023 PBB.

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

The Bulan Water District, has to achieve each one of the physical target identified by LWUA in a Joint Memorandum Circular to be issued by LWUA and DBM.

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 50% of performance indicators of the Congress-approved performance targets for FY 2023: | Met less than 50% to 70% of performance indicators of the Congress-approved performance targets for FY 2023: | Met at least 70% to 80% of performance indicators of the Congress-approved performance targets for FY 2023: | Met at least 80% to 100% of performance indicators of the Congress-approved performance targets for FY 2023: | Met each one or 100% of the Congress-approved performance targets for FY 2023 (all performance indicators) |

For agencies that do not receive budgetary support from the National Government and GOCCs covered by the DBM, reporting Performance Results shall be supported by

the following documents to be submitted to the AO25 Secretariat, duly signed by the Head of Agency or designated official:

- **Agencies without budgetary support** – Budget Preparation Form B – Agency Performance Measures (for Physical Performance) Operating Budget Utilization showing the approved level vs actual, and all applicable financial accountability reports.
- **GOCCs covered by the DBM** – DBM form 700 reflecting the GOCCs Physical and Financial Performance and DBM Prescribed Corporate Operating Budget (COB) forms.

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 and the administrative and supporting services (internal) within the agency.

- For FY 2023 PBB, the target will be substantive improvements in ease of doing business/ease of transaction concerning **two (2) critical services consisting of one (1) core service (external) based on the mandated function of the agency and one (1) support/administrative service (internal) as declared in the agency's /SUC's updated Citizen's Charter and in line with the Anti Red Tape Authority (ARTA)'s Whole Government (WOG) Reengineering Manual.**
- Agencies may declare the critical services previously reported in FY 2022 Process Results Report, **provided that there are new improvements introduced with verifiable results** (number of percentage of reduction in total processing time, steps, requirements, costs, etc)

As defined in ARTA MC 2019-002-A, the services may be categorized based on the following:

- a. **External Services** – refer to government services applied for or requested by external citizens or clients or those who do not form part or belong to the government agency or office.
- b. **Internal Services** – refer to government services applied for or requested by internal clients or individuals who are within the respective government agency or office such as but not limited to, its personnel or employees whether regular or contractual. Internal services include services such as but are not limited to. Backend/support services to regulatory functions related to permitting licensing and issuance of a privilege, right, reward, clearance, authorizing or concession.

In selecting the critical services to be prioritized by the agency (and which will be validate later by the ARTA for the purposes of determining eligibility for the PBB), agencies shall consider the selection of the services based on any of the following factors, or a combination thereof. **The selected critical service is:**

- a. A **core service** which is a process needed to achieve the overall mission and objectives of the public sector organization. These services may refer to those that are aligned with the agency's mandate and main functions.

- b. The **most complained service** with the greatest number of complaints received by the agency and other complaints-handling agencies.
- c. The **service/s with the greatest number of pending transactions or backlogs** the went beyond its prescribed processing time as declared in the agency's Citizen's Charter.
- d. A **service that generates income/revenue** for the government
- e. A service attributable to the PREXC/Programs of agencies
- f. A **service that involve inter-agency action** to complete the transaction

The substantial improvements or substantial reduction of the selected services may focus on the following areas of the selected services:

- a. **Actual documentary requirements**
- b. **Total Processing time**
- c. **Overall Transaction cost**
- d. **Multiple Hands-offs**
- e. **Administrative Burden**
- f. **Access to the Service**

The requirements under Process Results shall be assessed and scored as follows:

| TABLE 3: RATING SCALE FOR FINANCIAL RESULTS | | | | |
|---|--|--|---|---|
| 1 | 2 | 3 | 4 | 5 |
| No substantial improvement in ease of transaction in both external and internal services | Achieved substantial improvement in ease of transaction in both internal services | Achieved substantial improvement in ease of transaction in external services only | Achieved substantial improvement in ease of transaction in external but non-priority core service and internal service | Achieved substantial improvement in ease of transaction in priority core service (external) and internal service |

Agencies are required to submit a **report on the digitalization** initiatives or digital transformation of external and internal services through the following:

- a. Development of electronic or online and/or paperless application systems, payment systems, new service delivery channels, and contactless transactions:
- b. Utilization of disruptive and emerging technologies in system development and integration (eg., blockchain, application programming interface, robotic process automation, cloud services, etc.
- c. Enabling data linkages and interoperability capacities among information systems
- d. Creating capacities for data management and analytics
- e. Modernization of existing systems and applications and
- f. Other process improvements using information technology

Financial Results. For agencies and GOCCs covered by the DBM, attainment of the FY 2023 Disbursement BURs; and for SUCs likewise achieve the FY 2023 Disbursements BUR and the FY 2023 Earmarked income targets. For Local Water District reporting will always be based on LWUA Guidelines and Regulations
The Agency shall accomplish the following Disbursement 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 2023, net of goods and services obligated by December 31, 2022, but paid only in 2023. The **total obligations for MOOE and CO** shall refer to those made from current appropriations under FY 2023 Budget and the continuing appropriations under FY 2022.

For agencies that do not receive budgetary support from the national government and GOCCs covered by the DBM, reporting of **Financial Results** shall be supported by the following documents to be submitted to the AO25 Secretariat duly signed by the Head of Agency or designated official:

- a. **Agencies without budgetary support** – Budget Preparation Form B Agency Performance Measures (for Physical Performance), Operating Budgeting Utilization showing the approved level vs actual and all other applicable financial accountability reports.
 - b. **GOCCs** covered by the DBM – DBM Form 700 reflecting the GOCCs Physical and Financial Performance and DBM prescribed Corporate Operating Budget (COB) forms.
- **BUR for GOCCs is computed as follows:**
- **Disbursements BUR** = Total Actual Disbursement/Total Actual Obligations (both net of Personnel Services)

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

| TABLE 3: RATING SCALE FOR FINANCIAL RESULTS | | | | |
|---|--|--|--|--|
| 1 | 2 | 3 | 4 | 5 |
| Below 40% Disbursements BUR | 40% - 55% Disbursements BUR | 55%-70% Disbursements BUR | 70%-85% Disbursements BUR | 85-100% Disbursements BUR |

Citizen/Client Satisfaction Results. Achieve the Citizen/Client Satisfaction targets as provided below. 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.

Resolution and compliance to reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB). Agencies shall ensure the resolution of all complaints and grievances reported to Hotline #8888 and CCB and their compliance to the 72 Hour prescribed period to take actions and complaints as provided in EO No. 6 s. 2016.

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

| TABLE 4: RATING SCALE FOR CITIZEN/CLIENT SATISFACTION RESULTS | | | | |
|--|--|---|--|---|
| 1 | 2 | 3 | 4 | 5 |
| 0% resolution and compliance rate to #8888/CCB complaints | At least 1% resolution and compliance rate to #8888/ CCB Complaints | At least 50% resolution and compliance rate to #8888/ CCB Complaints | At least 75% resolution and compliance rate if there are more than 250 tickets to #8888/ CCB Complaints At least 80% resolution and compliance rate if there are less than 250 tickets to #8888/ CCB Complaints | 100% resolution and compliance to #8888/ CCB Complaints |

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 – Registered Government Website
- b. Compliance with Audit Findings and Liquidation of Cash Advances
- c. Compliance with the Freedom of Information (FOI) Program
- d. Establishment and Conduct of the Agency Review and Compliance of Statement of Assets, Liabilities and Net Worth (SALN)
- e. PhilGEPS posting of all invitations to bids and awarded contracts – Notices of Award/Bid Results, Actual Approved/Awarded Contracts and Notices to Proceed/Purchase Orders for public bidding transaction above one million (Php 1.000.000.00
- f. FY 2023 Non Common Used Supplies and Equipment (APP Non CSE)
- g. Posting of Indicative FY 2024 APP Non CSE
- h. FY 2024 Annual Procurement Plan Common Use Supplies and Equipment (APP – CSE)
- i. Results of FY 2022 Agency Procurement Compliance and Performance Indicators (APCPI) System
- j. Undertaking of Early Procurement Activities covering FY 2024 Procurement Projects
- k. Designation of the Agency’s Committee on Anti Red Tape (CART)
- l. Compliance with the National Competition Policy (NCP)

New Agency accountabilities beginning FY 2023 PBB

- a. For Category C – WD – ISO-QMS or Operational Manual
- b. Administered Client Satisfaction Measurement (CSM)
- c. Report on the digitalization initiatives or digital transformation of external and internal services

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 unit and individuals. Agencies should submit these legal requirements directly to the oversight agencies/

V. ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

- A.** For FY 2023 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 2023 PBB, the agency must attain a total score of at least 70 points and achieve at least a rating of 4 for at least three (3) in the four (4) accountability dimensions. 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 on Section 3.0 with performance rating of below 4 will be isolated from the grant of the FY 2023 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 2023 PBB.
- B.** Eligible DUs shall be granted FY 2023 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
- C.** 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 2023 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, 2023.
- D.** 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 2023 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;
- E.** To be eligible for FY 2023 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.

- F. 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.
- G. 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.
- H. Officials and employees who transferred from government agency 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 J.
- I. 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.
- J. 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 PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

| LENGTH OF SERVICE | % OF PBB |
|---------------------------------|-----------------|
| 8 months but less than 9 months | 90% |
| 7 months but less than 8 months | 80% |
| 6 months but less than 7 months | 70% |
| 5 months but less than 6 months | 60% |
| 4 months but less than 5 months | 50% |
| 3 months but less than 4 months | 40% |

The following are the valid reasons for an employee who may not meet the nine-month actual service requirements 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
- K. 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
 - L. Personnel found guilty of administrative and/or criminal cases by the final and executory judgment in FY 2023 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

- M.** 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 2023 PBB.
- N.** Officials and employees who failed to liquidate all cash advances received in FY 2023 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997, and reiterated in COA Circular 2009-002 dated May 19, 2009, shall not be entitled to the FY 2023 PBB.

VI. 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, 2023. For Illustration, see Table below:

TABLE – RATES OF THE PBB

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

VII. TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

- a.** 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 2023 GAA). BFARs will be used to assess and validated Performance Results.
- b.** 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 official submission and editable MS Word or Excel files for use of the AO 25 Secretariat).

VIII. EFFECTS OF NON-COMPLIANCE

A Department/Agency/GOCC/LWD/LGU, which, after due process by oversight 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.

IX. COMMUNICATION AND CHANGE MANAGEMENT

a. 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:

- i. 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.
- ii. Disseminate the performance targets and accomplishments of their agencies to their employees through the intranet and the other means, as well as publish these on their respective websites for the public's information.
- iii. Set up a Help Desk to respond 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.
- iv. Set up 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.

b. 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-email, landline, facsimile, cellular phone) of PBB focal Persons should be submitted to AO 25 Secretariat.

c. The AO 25 IATF shall maintain the following communication channels:

- i. AO 25 Secretariat at ao25secretariat@dap.edu.ph
- ii. RBPMS website www.rbpms.dap.edu.ph
- iii. Telephone (02) 8400-1469, (02)8400-1490, (02) 8400-1582
- iv. Facebook: www.facebook.com/PBBsecretariat

X. EFFECTIVITY CLAUSE

This Memorandum Circular shall take effect immediately.

Signed & Certified by:


ENGR. REY DENNIS L. GILBAS
General Manager C