



OFFICE ORDER NO. 18 - 594
Series of 2018

**GUIDELINES ON THE GRANT OF INTERIM PERFORMANCE- BASED
BONUS (PBB) FOR CY2017**

I. BACKGROUND AND PURPOSE:

The following guidelines is being issued pursuant to the Governance Commission for GOCCs (GCG) Memorandum Circular No. 2017-01 dated 09 June 2017, establishing the rules and regulations for the grant of the ***“Interim Performance-Based Bonus”*** to qualified GOCC Officers and Employees pursuant to Executive Order (E.O.) No. 80, s. 2012 pending the approval of the Total Compensation Framework (TCF) and Index of Occupational Services, Position Titles and Job Grades (IOS) of GOCCs pursuant to the Compensation and Position Classification System (CPCS).

II. ELIGIBILITY TO GRANT THE PBB:

The PBB System for GOCCs is an integral part of the Compensation and Position Classification System (CPCS) mandated by the Governance Act of 2011 or RA No. 10149. It is established to motivate higher performance and increased accountability in government-owned and controlled corporations (GOCCs). The grant of Performance Based Bonus (PBB) shall be based on overall company performance and distributed to individual officers and employees based on their performance ranking.

In order to be eligible to grant PBB to its qualified officers and employees, the ECC must:

1. Achieve a weighted-average score of at least 90% on its applicable Performance Scorecard;
 - 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.
2. Submit a Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the A.O. No. 25, s. 2011 Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring System (IATF), or ISO-aligned documentation of its QMS for one core process as evidenced by the presence of the following documents in the Transparency Seal:

- a. Approved Quality Manual; and,

- b. Approved Procedures and Work Instructions Manual, including Forms.
3. Comply with the following Good Governance Conditions under GCG M.C. No. 2013-02 and 2014-02:

a. Conditions Common to NGAs and GOCCs:

1. Transparency Seal;
2. PhilGEPS Posting;
3. Cash Advance Liquidation
4. Citizen's Charter or its equivalent;
5. Government Quality Management System Standards (GQMSS) pursuant to EO No. 605, s. 2007; and
6. Compliance with the submission and review of Statement of Assets, Liabilities and Networth (SALN) of officials and employees.

b. Conditions Specific to GOCCs Covered by R.A. No. 10149:

- a) The GOCC has satisfied all statutory liabilities, including the payment of all taxes due to the Government as certified by the BIR, declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable and NG Advances, as certified by the Department of Finance (DOF). Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision;
 - b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any;
 - c) Maintain/update and implement the GOCC's "Manual of Corporate Governance" and "No Gift Policy" approved the GCG and uploaded on the GOCC's website pursuant to the "Code of Corporate Governance for GOCCs" (GCG M.C. No. 2012-07); and
 - d) Compliance with posting on the GOCCs website the information enumerated under Section 43 of GCG M.C. No. 2012-07.
4. Comply with all Good Governance Conditions and other reportorial requirements as validated directly by the following oversight/validating agencies:

| PBB Requirement | Validating Agency |
|--|--|
| Transparency Seal | DBM-OCIO |
| PhilGEPS Posting | PhilGEPS |
| Citizen's Charter | CSC |
| Submission of SALN of employees | Office of the President, Office of the Ombudsman and CSC |
| PES Accomplishments | GCG |
| STO – Accomplishment <ul style="list-style-type: none"> • QMS Certification or ISO – aligned QMS Documentation • STO Identified by the agency head (If Applicable) | QPMC DBM-BMB CONCERNED; OP-OES |

| | |
|--|---|
| GASS <ul style="list-style-type: none"> • Public Financial Management Reports • Submission of Financial Statements, Ageing of Cash Advances Report • Budget and Financial Accountability Reports (BFARs) • APCPI • Submission of APP | DBM COA DBM and COA GPPB-TSO GPPB-TSO |
| Agency Rating and Ranking Report | GCG |

All other compliances required under the applicable IATF Memorandum Circular on PBB shall be coordinated directly by the GCG to the respective validating agencies.

- 5. Communication and Information.** - The GOCC CEO shall confirm with the GCG and IATF the name, position and contact details (e-mail, landline, facsimile, cellular phone) of the senior officials designated as the PBB focal person and the spokesperson, respectively.

The ECC shall strengthen its communication strategy and ensure transparency and accountability in the implementation of the PBB.

The IATF oversight/validating agencies may be contacted through the following communication channels:

- AO 25 Secretariat at ao25secretariat@dap.edu.ph
- PBIS Info Board
- RPBPMS website www.dap.edu.ph/rbpms
- PCDSPO e-mail at pbb@gov.ph
- Text Hotline (Smart: +63920.498.9121)
- Facebook (www.facebook.com/PBBsecretariat)
- Twitter: @pbbsecretariat

III. **COVERAGE :**

ECC officers and employees who occupy regular, casual or contractual positions shall be entitled to full grant of the PBB at the time of the payout of the PBB; *Provided*, they shall 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 at least 3 months of service shall be entitled to PBB on a *pro-rata* basis provided in Item No. 7 below:

IV. **ELIGIBILITY OF INDIVIDUAL OFFICERS AND EMPLOYEES:**

- Employees belonging to the First and Second Levels should receive a rating of at least "Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS), or equivalent.
- Third Level officials should receive a rating of at least "Satisfactory" under the Career Executive Service Performance Evaluation System (CESPES). CESPES

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covers all incumbents of CES positions in various agencies of the national government including GOCCs with original charters, for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent on the release of results of the CESPES.

3. Other officials performing managerial and executive functions who are not presidential appointees are covered by the agency's CSC-approved SPMS, or equivalent, and should receive a rating of at least "Satisfactory".
4. 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. 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.
6. An employee who has rendered a minimum of nine months of service during the fiscal year and with at least "Satisfactory" rating may be eligible to the full grant of PBB.
7. An employee who has rendered a minimum of three months but less than nine months of service and with at least "Satisfactory" rating shall be eligible for the grant of PBB on a pro-rata basis. The PBB of employees shall be pro-rated corresponding to the actual length of service rendered, as follows:

| Length of Service | % 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 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.
8. 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;
 9. Personnel found guilty of administrative or criminal cases in the applicable year by formal and executory judgement shall not be entitled to the PBB. If the penalty

meted out is only reprimand, such penalty shall not cause the disqualification to the PBB;

10. Officials and employees who failed to submit the latest SALN as prescribed in the rules provided under applicable CSC rules, shall not be entitled to the PBB of the applicable year;
11. Officials and employees who failed to liquidate Cash Advances received in the applicable year within the reglementary period as stated in the prevailing COA Circular, shall not be entitled to the PBB for the same year;
12. 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;
13. Agency heads should ensure that officials and employees covered by R.A. No. 6713 submitted their SALN of the preceding year to the respective SALN repository agencies, liquidated their Cash Advances of the corresponding year, and completed SPMS Forms, as these will be the basis for the release of the PBB of the applicable year to individuals.

V. EXCLUSIONS:

Excluded from the grant of the PBB are those hired without employer-employee relationships with ECC 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;
4. Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

VI. PBB DISTRIBUTION SYSTEM:

Distribution of PBB among qualified officers and employees of the ECC who have complied with the eligibility rules mentioned above shall be in accordance with the following procedure:

1. **Grouping of Personnel.** – In determining the distribution of the PBB among qualified ECC officers and employees, all personnel shall be ranked on a percentile basis within their respective levels as determined by the Governing Board through 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.

The President/CEO, or whoever is the highest ranking executive officer, has the prerogative to avail of either the Performance-Based Incentive (PBI) under GCG M.C. No. 2017-02, 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

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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 orders, 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.
 - 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 areas to achieve results. Typically has a university degree or equivalent work experience that provides knowledge and exposure to fundamental theories, principles and concepts.
 - 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.
2. **Distribution for Qualified Officers and Employees.** - In each of the level mentioned in #1 above, the ratings of officers and employees of the ECC under the OPCR shall be quantified to allow for ranking *"on a percentile basis"* for the purpose of distribution as follows:

| Percentile | PBB as % of MBS |
|-------------------------------|-----------------|
| Top: Maximum 10% | 65.0% |
| Next: Maximum 25% | 57.5% |
| Remaining: Minimum 65% | 50.0% |

The grant of 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 December 31 of the applicable year based on the above table, but not lower than P5,000.00.

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.

Provided that the total cost of the PBB shall not result in a net loss for the applicable year computed before subsidy and unrealized gains/losses, and after payment of all statutory obligations and liabilities.

3. **Posting of the Distribution of PBB.** – The ECC shall post in its Transparency Seal, the schedule and summary of the distribution of the PBB according to the mechanism herein stated using PBB Forms 3a and 3b, in lieu of the System of Ranking Delivery Units provided under the applicable IATF Memorandum Circular on PBB.

VII. ELIGIBILITY CRITERIA FOR THE PBB AND RANKING OF INDIVIDUAL PERFORMANCE:

The following weight allocations shall be observed to arrive at the PBB general rating of individual employees:

| CRITERIA | WEIGHT (%) | RATING | CATEGORY/DESCRIPTION |
|---|------------|--------|--|
| A. Performance Rating (IPCR) 90% | | | |
| | 90 | 4 | Meeting the success indicators – Outstanding (O) |
| | | 3 | 90% to 99% of the success indicators – Very Satisfactory (VS) |
| | | 2 | 80% to 89% of the success indicators – Satisfactory (S) |
| | | 1 | 79% or below the success indicators – Unsatisfactory (US) – NOT ENTITLED TO PBB |
| B. Behavior, Attendance and Compliance 10% | | | |
| 1. Integrity | 1.0 | | |
| | | 4 | No violation of ECC, CSC and DOLE Code of Conduct/ no administrative case during the rating period. |
| | | 2 | With one (1) violation of the ECC, CSC and DOLE Code of Conduct/administrative case during the semester (final determination) |
| | | 0 | With at least two (2) violations of the ECC, CSC and DOLE Code of Conduct/administrative case during the semester |
| 2. Work Attitude | 6.0 | | |
| | | 4 | Shows remarkable interest in his job, a self-starter, always able to devise ways and means to accomplish tasks or with innovations. A team player. |
| | | 3 | Sometimes shows initiative to devise ways and means to accomplish tasks. A team player. |
| | | 2 | Shows normal interest in his job, does only what is required of him. |
| | | 1 | Lacks interest in his job, must always be told to do his assignments, does not involve in group work |
| 3. Punctuality (Tardiness/Undertime) | 0.5 | | |
| | | 4 | No tardiness/undertime during the year |
| | | 3 | 1-19 times tardy/undertime per semester during the year |
| | | 2 | 20-38 times tardy/undertime per semester during the year |
| | | 1 | At least 39 times tardy/undertime or with warning per semester during the year |
| | | 0 | Penalized for policy violation during the year (<i>Ten (10) times in 2 consecutive months in a semester or during the year – A.O. No.390 S.2003</i>) (<i>Ten (10) times in 2 consecutive months in a semester or during the year – CSC MC No. 16, S. 2010</i>) |
| 4. Attendance | 0.5 | | |
| | | 4 | No absences during the rating period |

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| | | 3 | 1-15 days absences per semester during the rating period |
| | | 2 | 16 and above days absences per semester during the rating period |
| | | 1 | 1-7 unauthorized absences or with warning during the semester |
| | | 0 | Penalized for policy violation during the year (Exceeding 2.5 days of unauthorized absences in a month or at least 3 consecutive months during the year (Habitual Unauthorized Absences per A.O. No.390, S.2003) |
| Note: Excluded in the counting of absences: forced leave, maternity leave, paternity leave, parental leave, CSC Special Leave, rehabilitation leave, special leave for women) | | | |
| 5. Compliance | 2.0 | | |
| a. Compliance to Office Orders (For Head Office Personnel) | 2.0 | .4 .4 .4 .4 .4 | Attendance in: Flag Ceremony Flag Retreat DOLE Flag Raising Public Assistance Center (PAC) Trainings/Seminars/Other Activities |
| b. Submission of Reports and other Administrative Requirements (For REU Personnel) | 2.0 | .4 .4 .4 .4 .4 | On-time Submission of: DTRs, Locator Slips, Leave Application ECP In-house/On-Site Reports Accomplishment Reports Reimbursement Reports Liquidation Reports |
| TOTAL RATING | 100% | | |

Since ECC is observing an annual performance evaluation rating, the Behavior, Attendance and Compliance shall be rated for the Whole Year and the average rating for the Punctuality and Attendance criteria for the 1st and 2nd semesters shall be considered.

The IPCR rating of the employees shall also include intervening tasks with proof of actual performance and pioneering initiatives if there are any.

Officials and employees who do not submit their IPCR on or before the set deadline shall not be entitled to the PBB or to any other performance-based incentives.

The contractual and casual personnel who shall be entitled to the PBB shall be those whose compensation are charged to the lump sum appropriation under Personal Services; or those occupying positions in the GCG-approved contractual staffing pattern of agencies/offices concerned. They shall be included in the ranking along with the regular personnel.

Personnel who are assigned in more than one (1) division within the year shall base his/her IPCR rating on the average of his/her individual commitments in each office.

VIII. PERFORMANCE VALIDATION TEAM (PVT):

An ECC Performance Validation Team (PVT) created pursuant to Office Order No. 15-124, s. 2015, consisting of heads of divisions and representatives from the employees union shall perform its functions as indicated in the order.

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The PVT shall meet to come out with the forced ranking of employees based on GCG MC No. 2017-01. The forced ranking shall be discussed by the Division Chiefs with their respective staff. An employee can only raise clarifications/questions on his/her own IPCR rating and forced ranking.

IX. GRIEVANCE MECHANISM:

The ECC Grievance Committee created pursuant to Office Order No. 043, s. 2013 shall respond to the PBB-related issues and complaints raised by officers and employees.

For information and strict implementation.


STELLA Z. BANAWIS
Executive Director

*19 July 2018
City of Makati*