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**DEPARTMENT OF BUDGET AND MANAGEMENT**  
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Document Reference No: 2016-OC-025988

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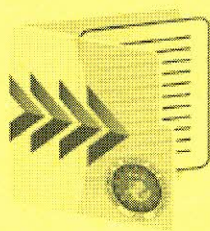
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Republic of the Philippines  
DEPARTMENT OF LABOR AND EMPLOYMENT  
**EMPLOYEES' COMPENSATION COMMISSION**  
4<sup>th</sup> & 5<sup>th</sup> Floors, ECC Building, 355 Sen. Gil J. Puyat Avenue, City of Makati



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22 March 2016

**Hon. RICHARD E. MOYA**

Undersecretary

Department of Budget and Management

Chair, AO 25 Technical Working Group

**Dear USEC MOYA:**

In compliance with GCG directive dated 15 March 2016, which we received on 21 March 2016, we are respectfully submitting ECC Office Order No. 16-143, s. 2016 dated 23 February 2016 adopting a system of rating and ranking of ECC personnel for the 2015 performance-based bonus (PBB). Please be informed that the same has been posted in the ECC website and transmitted by electronic mail to AO 25 Secretariat at [ao25secretariat@dap.edu.ph](mailto:ao25secretariat@dap.edu.ph) on March 17, 2016.

We hope you find the same in order.

Thank you and warm regards.

Very truly yours, ,

  
**STELLA Z. BANAWIS**

Executive Director 



Republic of the Philippines  
DEPARTMENT OF LABOR AND EMPLOYMENT  
**EMPLOYEES' COMPENSATION COMMISSION**  
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**OFFICE ORDER NO. 16 – 143**  
**Series of 2016**

**ECC GUIDELINES ON THE GRANT OF PERFORMANCE- BASED BONUS**

**I. Background and Purpose**

These guidelines have been issued pursuant to the Governance Commission for GOCCs (GCG) Memorandum Circular No. 2015-05 dated 15 July 2015, providing the 2015 Interim Performance-Based Bonus (PBB) and pursuant to Executive Order No. 80, s. 2012 (E.O. N. 80), pending the approval by the President of the Compensation and Position Classification System (CPCS), mandated under the "GOCC Governance Act of 2011" (R.A. No. 10149).

**II. Eligibility for the Grant of PBB**

The grant of PBB shall be based on the overall company performance, and then distributed to individual Officers and Employees based on their performance ranking. Pursuant to the "Performance Evaluation System for the GOCC Sector" (GCG MC No. 2013-02 (Re-issued), or any revised version thereof, a GOCC, in order to be eligible to grant PBB to its qualified Officers and Employees, must:

1. Achieve a weighted-average score of at least 90% in its 2015 Performance Scorecard; and
2. Submit a Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the IATF or submit an Operations Manual covering selected core processes or areas of operation;
3. Comply with the Good Governance Conditions provided in GCG MC No. 2013-02 and 2014-02, to wit:

**Conditions Common to NGAs and GOCCs:**

- a. Transparency Seal;
- b. PhilGEPS Posting;
- c. Cash Advance Liquidation
- d. Citizen's Charter or its equivalent;
- e. Government Quality Management System Standards (GQMSS) pursuant to EO No. 605, s. 2007; and
- f. Compliance with the submission and review SALN (SALN).

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

1. The GOCC has satisfied all statutory liabilities, including the payment of all taxes due to the Government as certified by the BIR, and 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;

2. 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;
3. 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" (GCG MC NO. 2012-07); and
4. Compliance with posting on the GOCCs website the information enumerated under Section 43 of GCG MC No. 2012-07.
5. 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<br><br>Note: The SALN validating agencies shall provide the list of SALN non-filers |
| Report on Ageing of Cash Advances  | COA  |
| DBM Financial Reports including BFARs  | DBM  |
| PES Accomplishments  | GCG  |
| STO – accomplishments <ul style="list-style-type: none"> <li>QMS Certification / Operations Manual</li> <li>STO identified by agency head (if applicable)</li> </ul> | GQMC<br><br>DBM – BMB A, B, C, D, E and F; OP, OES,<br><br>CHED; LWUA  |
| GASS <ul style="list-style-type: none"> <li>Public Financial Management Reports</li> </ul>   | DBM  |

|  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Submission of Financial Statements, Ageing of Cash Advances Report</li> <li>• BFARs</li> <li>• APCI</li> <li>• Submission of APP</li> </ul> | COA<br><br>DBM and COA<br><br>GPPB – TSO<br><br>GPPB – TSO |
| Priority Program Accomplishments (If applicable)   | PMS  |
| OP Planning Tool Accomplishments (if applicable)   | OP – OCS   |
| EODB Accomplishments (If applicable)   | NCC  |
| Agency Rating and Ranking Report   | GCG  |

- *All submissions shall be made directly with the abovementioned oversight/validating agencies*

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

- a. AO 25 Secretariat at [ao25secretariat@dap.edu.ph](mailto:ao25secretariat@dap.edu.ph)
- b. PBIS Info Board
- c. RBPMS website [www.dap.edu.ph/rbpms](http://www.dap.edu.ph/rbpms)
- d. PCDSPO e-mail at [pbb@gov.ph](mailto:pbb@gov.ph)
- e. 3. Text hotline (Smart: +63920.498.9121)
- f. F. Facebook ([www.facebook.com/PBBsecretariat](https://www.facebook.com/PBBsecretariat))
- g. Twitter: @pbbsecretariat

### III. Coverage

ECC officers and employees who occupy regular, co-terminous and casual positions shall be entitled to the full grant of the PBB from their employer at the time of the payout of the PBB; **Provided they have rendered an aggregate of at least nine (9) months of service in the public sector for the year ending 31 December 2015.** 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 No. 7 below.

Eligibility of Individual Officers and Employees of GOCCs:

1. Employees belong 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);
2. Third Level officials should receive a rating of at least "Very Satisfactory" under the Career Executive Service Performance Evaluation System (CESPES). CESPES 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 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 (9) months of service during the fiscal year and with at least "Satisfactory" rating may be eligible to the full grant of the PBB.
7. An 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. The PBB of employees shall be pro-rated 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

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 and/or criminal cases filed against them and meted penalty in FY 2015 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.
10. Officials and employees who failed to submit the 2014 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (2. 2015), shall not be entitled to the FY 2015 PBB.
11. Officials and employees who failed to liquidate Cash Advances received in 2015 within the reglementary period as stated in the prevailing COA Circular, shall not be entitled to the FY2015 PBB.
12. Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2014 SALN to the respective SALN repository agencies as prescribed in the rules provided under CSC Memorandum Circular NO. 3 (s.2015) and also liquidated 2015 Cash Advances, as this will be a basis for the release of FY2015 PBB to individuals.

**IV. Exclusions.** The following are excluded from the grant of the PBB:

1. Those hired without employer-employee relationships with ECC and paid from non-Personal Services appropriations/budgets as follows:
  - b. Consultants and experts hired to perform specific activities or services with expected outputs;
  - c. Laborers hired through job contracts (pakyaw) and those paid on piecework basis;
  - d. Student laborers and apprentices;
  - e. Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated; and,

**V. DISTRIBUTION SYSTEM.** - Distribution of PBB among qualified officers and employees of the ECC shall be in accordance with the following procedure:

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 Management in accordance with the following guidelines:
  - a. **Senior Management (SG 27-28):** Refers to the Executive Officers of ECC including 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 GCG MC No. 2015-06, 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 (SG 24):** 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 (SG 15-23):** 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 Specialist, Accountant, HR Officer, etc.).
- d. Clerical/General Staff (SG14 and below):** This 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).

## 2. Distribution for Qualified Officers and Employees

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 based on the table below:

| Percentile                    | Multiple |
|-------------------------------|----------|
| <b>Top:</b> Maximum 10%       | 2.50     |
| <b>Next:</b> Maximum 25%      | 1.50     |
| <b>Remaining:</b> Minimum 65% | 1.00     |

*\*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 CY 2015 computed before subsidy and unrealized gains/losses, and after taxes.

The Division Chiefs' rating for their respective staff shall be subject to the validation of the PVT. Any complaints pertaining to ratings whether of the concerned employee or other divisions/employees shall be coursed through to the SPMS Grievance Committee.

## VI. ELIGIBILITY CRITERIA FOR THE PBB AND RANKING OF INDIVIDUAL PERFORMANCES

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

| CRITERIA  | WEIGHT<br>% | RATING | DESCRIPTION  |
|---|-------------|--------|--|
| <b>A. PERFORMANCE RATING (90%)</b>                  |             |        |  |
|   | 90          | 4      | Meeting the success indicators – Outstanding (O)   |
|   |             | 3      | 90% to 99% of 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>B. Behavior, Attendance and Compliance (10%)</b> |             |        |  |
| <b>1. Integrity</b>                                 | 2           | 4      | No violation of DOLE Code of Conduct/administrative case during the rating period.   |
|   |             | 2      | With one (1) violation of the DOLE Code of Conduct/administrative case during the rating period  |
|   |             | 0      | With at least two (2) violations of the DOLE Code of Conduct/administrative case during the rating period.   |
| <b>2. Work Attitude</b>                             | 3           | 4      | Shows remarkable interest in his job, a self-starter, always able to device 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 be told always to do his assignments, does not involve in group work   |
| <b>3. Punctuality (Tardiness / Undertime)</b>       | 1.5         | 4      | No tardiness/undertime during the rating period  |
|   |             | 3      | 1-19 times tardy/undertime per semester during the rating period   |
|   |             | 2      | 20-38 times tardy/undertime per semester during the rating period  |
|   |             | 1      | At least 39 times tardy/undertime or with warning per semester during the rating period  |
|   |             | 0      | Penalized for policy violation during the rating period (Ten (10) times in 2 consecutive months in a semester or during the year – CSC MC No. 16, S. 2010) |
| <b>4. Attendance</b>                                | 1.5         | 4      | No absences during the rating period   |
|   |             | 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 semester (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) |
| <b>Note:</b> Excluded in the counting of absences; forced leave, maternity leave, paternity leave, parental leave, special leave, rehabilitation leave, special leave for woman). |      |                            |  |
| <b>5.Compliance</b>   | 2    |                            |  |
| <b>a. Compliance to Office Orders (For Head Office Personnel)</b>   | 1    | .2<br>.2<br>.2<br>.2<br>.2 | Attendance in:<br>Flag Ceremony<br>Flag Retreat<br>Dole Flag Raising<br>Public Assistance Center (PAC)<br>Trainings/Seminars   |
| <b>b. Submission of Reports and other Admin Requirements (For REU Personnel)</b>  | 1    | .2<br>.2<br>.2<br>.2<br>.2 | On-time submission of:<br>DTRs, Locator Slips, Leave Applications<br>ECP In-House/On-Site Reports<br>Accomplishment Reports<br>Reimbursement Reports<br>Liquidation Reports  |
| <b>TOTAL RATING</b>   | 100% |                            |  |

2. PBB Sample Computation:

| CRITERIA                                       | WEIGHT %  | RATING | CATEGORY/DESCRIPTION  | WEIGHTED RATING (Rating x Weight) |
|--|-----------|--------|---|-----------------------------------|
| A. Performance Factor (IPCR)                   | <b>90</b> | 3      | 90% TO 99% of the success indicators<br>Very Satisfactory (VS)  | $3 \times .90 = 2.7$              |
| B. Behavior, Attendance and Compliance         | <b>10</b> |        |   | <b>.234</b>                       |
| 1. Integrity                                   | <b>2</b>  | 4      | With pending action for violation of ECC, CSC, DOLE Code of Conduct or with pending administrative case during the semester | $4 \times .02 = .08$              |
| 2.Work Attitude                                | <b>3</b>  | 2      | Shows normal interest in his job, does only what is required of him, normally able to devise ways and means                 | $2 \times .03 = .06$              |
| 3.Punctuality (Tardiness / Undertime)          | (1.5)     | 3      | 1-19 times tardy/undertime during the semester  | $3 \times .015 = .045$            |
| <b>4.Absences</b>                              | (1.5)     | 3      | 1-15 days absent during the semester  | $3 \times .015 = .045$            |
| C. Compliance                                  | <b>2</b>  |        |   | <b>.004</b>                       |
| a. Compliance to Office Order (For Head Office | (1)       | .2     | Attended all activities   | $.2 \times .01 = (.002)$          |

|  |     |    |                                     |                                     |
|--|-----|----|-------------------------------------|-------------------------------------|
| Personnel)   |     |    |                                     |                                     |
| b. Submission of Reports and other Administrative Requirements | (1) | .2 | Submitted all requirements on time. | $.2 \times .01 = (.002)$            |
| <b>TOTAL</b>   |     |    |                                     | <b>2.934</b><br><b>Satisfactory</b> |

3. The IPCR rating of the employees shall also include intervening tasks with proof of actual performance and pioneering initiatives if there are any.
4. Payment of PBB to the Third Level officials shall be contingent on the results of the OPCR.
5. 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.
6. 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 Personnel 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.
7. Personnel who were assigned in more than one (1) division within the year shall be based on the average IPCR rating of his/her individual commitments in each office.

#### **VII. Performance Validation Team (PVT):**

A Performance Validation Team (PVT) created pursuant to Office Order 15-124, s of 2015 consisting of heads of divisions and representatives from the employees union shall perform its functions as indicated in the Order.

#### **VIII. 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

**23 February 2016**  
**City of Makati**