



**REPUBLIC OF THE PHILIPPINES**  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

**DEPARTMENT ORDER NO. 18, s. 2018**

**Subject: INTERNAL GUIDELINES ON THE GRANT OF THE FY 2018 PERFORMANCE-BASED BONUS (PBB) INCLUDING THE PROCESS AND CRITERIA FOR RANKING OF ELIGIBLE DBM-OSEC DELIVERY UNITS**

**Date: 5 OCTOBER 2018**

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**1.0 PURPOSE**

In the interest of the service and pursuant to Memorandum Circular (MC) No. 2018-1<sup>1</sup> issued by the Inter-Agency Task Force (IATF) on Administrative Order (AO) 25, the guidelines on the grant of the Performance-Based Bonus (PBB) for FY 2018 in the Department of Budget and Management (DBM) – Office of the Secretary (OSEC) is issued for the following purposes:

- 1.1. Guide the Delivery Units (DUs) of DBM, which are its Bureaus/Services/Offices (B/S/Os), on the requirements for the grant of the FY 2018 PBB;
- 1.2. Adopt a uniform criteria on rating and forced ranking of B/S/Os and rating of its officials and employees;
- 1.3. Guide DBM officials and employees on the system and process of rating and ranking the B/S/Os, officials and employees;
- 1.4. Determine the following roles and responsibilities of:
  - 1.4.1 each B/S/O to become eligible to the grant of the FY 2018 PBB; and
  - 1.4.2 the key offices/units in implementing the guidelines on the FY 2018 PBB; and
- 1.5. Set deadlines for the submission of the FY2018 PBB requirements.

**2.0 COVERAGE**

This Department Order covers the following:

- 2.1 All delivery units of the DBM-OSEC

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<sup>1</sup> Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2018 under Executive Order No. 80 s. 2012 and Executive Order No. 201 s. 2016, dated 19 February 2016

- 2.2 All B/S/O officials and employees of the DBM-OSEC holding regular plantilla positions and contractual and casual personnel having an employer-employee relationship with the DBM-OSEC, and whose compensation is charged to the appropriation under Personnel Services, or those occupying positions in the DBM-OSEC-approved contractual staffing pattern.

The DBM-attached agencies, i.e., Government Procurement Policy Board –Technical Support Office (GPPB-TSO) and the Procurement Service (PS) including the Philippine Government Electronic Procurement System (PhilGEPS), shall each issue separate guidelines in the implementation of their respective FY 2018 PBB grant.

### 3.0 REQUIREMENTS TO BE ELIGIBLE FOR THE GRANT OF FY 2018 PBB

- 3.1 Consistent with Item Nos. 4.0, 5.0 and 6.0 of the AO 25 IATF MC, the following requirements/conditions must be satisfied by the DBM-OSEC to be eligible for the FY 2018 PBB:

- 3.1.1 Satisfy **100%** of the following **Good Governance Conditions (GGC)** set for FY 2018 by the AO 25 IATF based on the performance drivers of the Results-Based Performance Management System (RBPMS) and thrusts of the Duterte Administration for heightened transparency, stronger public accountability, and more inclusive and people-centered public service:

- 3.1.1.1 Maintain/Update the **DBM Transparency Seal (TS)** in accordance with Section 99 of RA 10964 or the FY 2018 General Appropriations Act (GAA) and as provided by the Guidelines on Transparency Seal, Annex 2 of AO 25 IATF MC No. 2018-1:

- a. The DBM-OSEC TS page shall be accessible to all interested stakeholders through the TS logo on the DBM home page, containing the following information and documents:

- a.1 The DBM mandate, vision, mission and officials' name, position, designation and contact information; and
- a.2 FY 2018 DBM-approved budget, corresponding targets and any modifications thereof.

- b. Annual Procurement Plan (APP):

- b.1 FY 2018 APP for **non**-Common Supplies and Equipment (CSE) presented as prescribed under GPPB Circular No. 07-2015 to be posted not later than one month after the issuance of the IATF Circular.
- b.2 Indicative FY 2019 APP for **non**-CSE consistent with the FY 2019 National Expenditure Program



(NEP) to be posted on the DBM TS page not later than 31 August 2018.

**NOTE:** On items “b.1” and “b.2” above, simultaneous or prior to TS posting, the aforecited APP-non CSEs approved by the Head of Procuring Entity (HOPE) shall be submitted to the GPPB within one (1) month after the issuance of IATF Circular following the format prescribed under GPPB Circular No. 07-2015<sup>2</sup>. A scanned copy of the same may be sent to the GPPB-TSO through email: [app@gppb.gov.ph](mailto:app@gppb.gov.ph) with subject line “APP for FY <year> of <complete name of Head of Office/Agency><Regions \_ to \_, if applicable> for PBB.”

- b.3 FY 2019 APP-CSE to be posted on the DBM TS page not later than August 31, 2018.

**NOTE:** The FY 2019 APP-CSE shall be submitted to the DBM-Procurement Service not later than August 31, 2018, following the prescribed format provided in the Guidelines to be issued by the DBM-Procurement Service through a separate Circular Letter.

- c. FY 2018 Major Projects and Programs, Beneficiaries and Status of Implementation in FY 2018. In case of non-applicability, information stating the matter shall also be indicated.
- d. Annual Financial Reports to cover the whole year or as of December, end of the year/4<sup>th</sup> Quarter in FYs 2014-2018. Incomplete or non-cumulative reports will not be counted:
  - d.1 FAR No. 1: Statement of Appropriations, Allotments, Obligations, Disbursements and Balances as of December (SAAOBDB);
  - d.2 Summary Reports on Disbursements;
  - d.3 BAR No. 1 – Quarterly/Annual Physical Reports of Operations/Physical Plan;
  - d.4 FAR No. 5 – Quarterly Report of Revenue and Other Receipts; and
  - d.5 Financial Plan (Detailed Statement of Current Year’s Obligations, Disbursements and Unpaid Obligations).
- e. Annual Reports on the Status of Income authorized by law to be deposited outside the National Treasury, including the legal basis, beginning balance, income

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<sup>2</sup>Preparation of the Annual Procurement Plan (APP), dated 16 July 2015

collected and its sources, expenditures and ending balance thereof. In case of non-applicability, information stating the matter shall also be indicated.

- f. Quality Management System Certification under ISO 9011:2015 Standard valid until December 31, 2018 or a later date, to be posted in the TS not later than December 31, 2018.

**NOTE:** The certified-true copy of the QMS ISO Certification shall be submitted to the Government Quality Management Committee (GQMC), through its Secretariat the Systems and Productivity Improvement Bureau (SPIB) immediately after obtaining the QMS Certification or Recertification not later than December 31, 2018, for verification purposes.

- g. System of Ranking the B/S/Os for the grant of the FY 2018 PBB following the format provided in Annex 8 of the IATF MC to be posted on the TS and disseminated/cascaded to employees not later than October 1, 2018.

**NOTE:** The posting shall also include the activities/details of cascading the System of Rating and Ranking Delivery Units and the contact information the employees may coordinate the same.

- h. The Agency Review and Compliance Procedure of Statements and Financial Disclosures used by the Department's SALN Review and Compliance Committee (RCC) shall be uploaded on the DBM TS page not later than October 1, 2018. Information on the same shall be cascaded to all employees.

- i. Freedom of Information (FOI)

- i.1 The Final People's Freedom to Information (FOI) Manual signed by the DBM Secretary shall be posted on the TS page not later than September 30, 2018;
- i.2 The Agency Information Inventory shall be posted on the TS not later than September 30, 2018;
- i.3 The 2017 and 2018 FOI Summary Report shall be uploaded on the DBM TS not later than January 31, 2019; and
- i.4 The 2017 and 2018 FOI Registry shall be uploaded on the TS not later than January 31, 2019.



**NOTE:** The aforecited FOI Reports shall be accomplished strictly using the Excel format (.xls) based on the templates provided in the link: [www.bit.ly/2018FOIRReports](http://www.bit.ly/2018FOIRReports). Soft copies are required to be sent/submitted to [foipco@gmail.com](mailto:foipco@gmail.com).

Compliance on the FOI Program requirements shall be subject to the provisions of *FOI – MC No. 02, s. 2018*<sup>3</sup>.

Other policy issuances and memoranda can be accessed at [www.foi.gov.ph/resources](http://www.foi.gov.ph/resources)

- j. The links to the TS documents shall open the appropriate tab/page for preview with option to download the same. Nesting of folders shall not be allowed.

The oversight agency concerned shall validate the TS compliance based on the agreed monitoring schedule.

3.1.1.2 Maintain/Update the **posting of all Invitations to Bid and awarded contracts as of January 31, 2019** in the *PhilGEPS* pursuant to the Revised Implementing Rules and Regulations (IRR) of RA 9184 (Government Procurement Reform Act) for transactions from November 16, 2017 to January 31, 2019, including the *Early Procurement* of FY 2019 non-CSE items.

- a. The DBM-OSEC's status of notices in the PhilGEPS for all transactions in the aforecited covered period, including the early procurement of the FY 2019 non-CSE items, shall be updated not later than January 31, 2019. Failed/cancelled bid status shall likewise be updated in the PhilGEPS.
- b. In case the DBM-OSEC fails to update/post the required documents<sup>4</sup> for transactions costing more than P1 million in the PhilGEPS due to factors that are beyond the control of the Department, the DBM-OSEC– through its responsible unit<sup>5</sup> concerned - shall inform PhilGEPs on the matter and submit a letter of explanation<sup>6</sup> to the AO 25 IATF not later than January 31, 2019. Acceptance of the explanation/justification shall be subject to the recommendation of the PhilGEPS.

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<sup>3</sup> Freedom of Information (FOI) Program Criteria and Validation Process for the Eligibility to FY 2018 Performance Based Bonus

<sup>4</sup> Bids and Awards Committee (BAC) Resolution, Notices of Award/Bid Results, Actual Approved/Awarded Contracts and Notices to Proceed/Purchase Orders for transactions above P 1 million

<sup>5</sup> AS-Procurement Management Division for the DBM Central Office and the Regional Offices (ROs) respective BAC for the ROs

<sup>6</sup> Sample format of letter provided under Annex 6 of AO 25 IATF MC No. 2017-1

- c. The oversight agency concerned shall validate the DBM's PhilGEPS compliance based on the agreed monitoring schedule.

3.1.1.3 Maintain/Update the **Citizen's or Service Charter** or its equivalent, reflecting the agency's enhanced service standards for all its frontline services to government agencies (or citizens, businesses, as applicable) consistent with the objectives of the ***Anti-Red Tape Act (ARTA) of 2007*** (RA 9485)<sup>7</sup>, and the President's directive to cut down processing time of all transactions to ensure accessible and convenient delivery of services to the public as reiterated in Civil Service Commission (CSC) MC No. 14, s. 2016<sup>8</sup>:

- a. Per CSC MC No. 9<sup>9</sup>, s. 2018, the Certificate of Compliance (CoC) submitted to the CSC Office for Strategy Management (OSM) in 2017, pursuant to CSC MC 14, s. 2017, shall be the basis of the validation for the FY 2018 PBB. Submission of CoC may be done when:
  - a.1 The agency has been identified with deficiency/ies in the initial validation in 2017;
  - a.2 The agency has been included in the Non-Compliant list in 2017; or
  - a.3 The agency finds it necessary to submit a new CoC.
- b. All CoC shall be submitted to the CSC OSM through the AO25 Secretariat not later than August 1, 2018.

3.1.2 Achieve each one of the Physical Targets, Support to Operations (STO) and General Administration and Support Service (GASS) requirements. The four (4) general groups of requirements under this category are as follows:

**3.1.2.1 Streamlining and Process Improvement of the DBM-OSEC's Critical Services**

- a. These shall cover the following:
  - a.1 Government-to-Government (G2G) transactions or all processes/services contained in the DBM's Citizen's Charter; and

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<sup>7</sup> Please note that while Republic Act 11032 or the *Ease of Doing Business and Efficient Government Service Delivery Act of 2018* was issued on 28 May 2018, an approved Implementing Rules and Regulations (IRR) has yet to be issued on the same

<sup>8</sup> Urgent Review and Improvement of Citizen's Charter

<sup>9</sup> Validation Guidelines on Citizen's Charter Compliance for the 2018 Performance Based Bonus



- a.2 Key/critical services/processes rendered by other DBM-OSEC B/S/Os including internal management and support offices.
- b. Each of the DBM-OSEC B/S/Os shall be part of or declared in at least one (1) critical service or key process performed by the DBM-OSEC as categorized above.
- c. To determine the improvement on the delivery of the processes/services and measure the B/S/O performance, the corresponding baseline data, targets and accomplishments on the processes/services shall be reported to the AO 25 IATF using the prescribed form<sup>10</sup>.

These requirements shall include the following information for each critical service/key process:

- c.1 Number of steps to be taken to complete the transaction cycle;
- c.2 Number of signatures required to complete each service/process, including initials; and
- c.3 Number of documents to be established for each critical service/key process. It shall reflect the total number of documents necessary to complete the transaction cycle. This shall include:
  - c.3.1 the required documents from the transacting citizens/clients; and
  - c.3.2 those used by the DBM in the internal processing of the request until the completion/delivery of the service to the requesting/transacting party/end-user.
- c.4 Turnaround time which refers to the estimated time required to complete the service/process and defined as:
  - c.4.1 the time covered from the moment the transacting citizen/client begins to fill out a form or queue, including the waiting time until the service/process availed of is delivered/completed;
  - c.4.2 the total of the waiting and processing times.

While transaction and substantive costs are included in the AO25 IATF requirement, these were declared by the

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<sup>10</sup> Annex 3A of the IATF MC 2018-1

DBM Performance Management Team as not applicable to the DBM-OSEC's Government to Government (G2G) transactions.

- d. The DBM-OSEC shall strive to improve each of its critical services/ key processes, in terms of:
  - d.1 Reduction in the number of signatures to no more than three (3);
  - d.2 Simplification of forms and documentary requirements; and
  - d.3 Fifty percent (50%) reduction in the turnaround time and the completion of transactions within fifteen (15) days.
- e. In the process of identifying and setting targets for improvement, the specific areas (e.g., steps, signature, documents, turnaround time) to be streamlined must be disclosed, including the corresponding reasons/justification for the committed target, to facilitate the tracking and monitoring of the progress of enhancements made.
- f. In the event that the B/S/O identified targets for any of critical services/key processes are not achieved, justifications and explanations on each shall be provided by the B/S/O concerned. Acceptance of the justifications/explanations shall be subject to the review and recommendation of the validating agency.

#### **3.1.2.2 Establishment of Citizen/Client Satisfaction Feedback Mechanism and Client Satisfaction Measurement**

- a. To determine the effectiveness of the streamlining and improvement of DBM-OSEC's critical services/key processes, the DBM-OSEC shall embed a feedback mechanism and Citizen/Client Satisfaction measurement or survey in its service/process improvement efforts.
- b. The results or measurement of the Citizen/Client Satisfaction shall be reported to the AO25 IATF, providing the following required details:
  - b.1 Survey description and methodology; and
  - b.2 Improvement Action Plan for 2019.



### 3.1.2.3 STO Target

This refers to the recertification of the DBM Quality Management System<sup>11</sup> under ISO 9001:2015 Standard. The condition requires compliance on the following:

- a. The certification must be issued by any of the certifying bodies accredited by the International Accreditation Forum (IAF) members, preferably by the Department of Trade and Industry's Philippine Accreditation Board;
- b. The certification must be valid until 31 December 2018 or on a later date;
- c. The certification must be posted in the DBM TS page not later than 31 December 2018; and
- d. A certified-true copy of the QMS certificate must be submitted to the Government Quality Management Committee (GQMC) through the Secretariat not later than 31 December 2018.

### 3.1.2.4 GASS Target

The GASS Target pertains to seven (7) sub-requirements as follows:

- a. The **Budget Utilization Rate (BUR)** requirement includes the Obligation BUR and Disbursement BUR. A summary of the description and inclusions and exclusions in computing the BUR are provided hereunder:

Obligation BUR	Disbursement BUR
<ul style="list-style-type: none"><li>▪ Computed as obligation rates to include:<ul style="list-style-type: none"><li>- FY 2018 MOOE and CO of all PAPs;</li><li>- Projects funded in FY 2018 from all appropriation sources including those released under the GAA as an Allotment Order Policy.</li></ul></li><li>▪ The computation shall be net of savings from procurement and implementation of cost cutting measures.</li></ul>	<ul style="list-style-type: none"><li>▪ Computed as ratio of total disbursements to total obligations;</li><li>▪ Disbursement to cover cash and non-cash less Personnel Services; and</li><li>▪ Obligations to cover total obligations for FY 2018 MOOE and CO net of goods and services obligated by 31 December 2018 but are accounts payable and not yet due and demandable on said date.</li></ul>

<sup>11</sup> Should pertain to the DBM-OSEC's core process most demanded by citizens and business, and included among those targeted under the FY 2018 PBB Streamlining and Process Improvement requirement

- b. ***Sustained Compliance with Audit Findings*** requires the full implementation of at least 30% of the prior years' audit recommendations as shown in the Report on Status of Implementation of Prior Year's Recommendations<sup>12</sup>. The following must be noted in measuring compliance with this requirement:
  - b.1 Audit recommendations to be considered shall exclude the Property-Plant and Equipment (PPE)-related items in the Annual Audit Report (AAR); and
  - b.2 Audit findings that were closed in FY 2017 should not recur.
- c. ***Compliance with Quarterly Submission of Budget and Financial Accountability Reports (BFARs) Online using the DBM's Unified Reporting System*** within fifteen (15) days after the end of the Quarter.
- d. **Submission of the following** reports within the prescribed deadline and using the prescribed format:
  - d.1 ***FY 2018 Annual Procurement Plan (APP) non-Common Use Supplies and Equipment (CSE), and the***
  - d.2 ***FY 2019 Indicative APP-non CSE*** consistent with the FY 2019 National Expenditure Program.
- e. ***Submission of FY 2019 APP CSE*** not later than 31 August 2018.
- f. ***Undertaking of early procurement for at least 50% of the value of goods and services based on the submitted budget of the DBM-OSEC to Congress consistent with the NEP*** from October to December, 2018. The Approved Contract and Notice to Proceed resulting from said procurement shall be reflected/posted and updated in the PhilGEPS on or before 31 January 2019.
- g. ***Submission of results of the Agency Procurement Compliance and Performance Indicators (APCPI) System*** of the DBM-CO.

3.1.3 **Other Cross-Cutting Requirements.** The following requirements set by the AO 25 IATF shall be undertaken by B/S/Os concerned collaborating as committee or team:

3.1.3.1 ***Establishment of Agency Review and Compliance Procedure on SALN and the Conduct of Review Activity using the same.*** The requirement shall also necessarily include the establishment of a SALN Review and Compliance Committee to implement

<sup>12</sup> Agency Action Plan and Status of Implementation



the pertinent procedures of the Code of Conduct and Ethical Standards for Public Employees and pertinent procedures and requirements of the Civil Service Commission Resolution on the matter. Information on these requirements shall be cascaded/communicated to DBM B/S/Os and employees.

3.1.3.2 *Compliance with the FOI Program* which involves the submission of the following requirements within the prescribed deadline and in accordance with the FOI prescribed format, as well as the TS posting:

- a. People's FOI Manual signed by the DBM Secretary;
- b. Agency Information Inventory;
- c. FY 2017 and 2018 FOI Summary Report;
- d. FY 2017 and 2018 FOI Registry; and
- e. Screenshot of the DBM website containing a visible and functional FOI logo linked to the eFOI portal.

3.2 Non-compliance with any Good Governance Conditions (GGC) and Performance Targets will render the entire DBM-OSEC ineligible for the FY 2018 PBB grant.

AO 25 IATF set Timelines for the Departments/Agencies compliance is attached as *Annex A*, hereof.

3.3 In case the DBM-OSEC is assessed to have deficiencies in meeting its performance commitments or not able to comply with any of the aforementioned requirements and targets, the Secretary shall submit justifications and/or explanation and supporting documents thereof to warrant reconsideration. For reassessment and validation purposes, justifiable reasons are those factors considered outside of the control of the agency, and acceptance of the same shall be subject to the recommendation of the validating agencies identified and designated by the AO25 IATF.

3.4 To assist in ensuring that the DBM-OSEC shall be compliant to the aforementioned requirements and prepared for the IATF validation, Lead Coordinating, Monitoring, Overall Oversight (LCMO) Units are identified to serve as focal units on matters pertaining to their respective PBB implementation assignments and oversee the specific activities related to the PBB implementation within their functional coverage.

A summary of the eligibility criteria/requirements with corresponding B/S/Os concerned and LCMO units is provided herewith as *Annex B*.

#### **4.0 ELIGIBILITY REQUIREMENTS FOR B/S/Os AND INDIVIDUALS:**

The eligibility criteria for B/S/Os of the DBM-OSEC and Individuals for the FY 2018 PBB Grant shall follow a single-step system which means that the eligibility of personnel for the grant of PBB shall depend on the performance eligibility and performance category (i.e., Good, Better, Best) of their respective B/S/Os. Thus, if the B/S/O is eligible, it follows that the employees under the B/S/O are eligible, provided that the employees meet all the eligibility criteria/requirements for individuals.

#### 4.1 Eligibility of B/S/Os:

- 4.1.1 B/S/Os that meet the applicable requirements and conditions under item 3.0 of this Order are eligible for the grant of the FY 2018 PBB. It is emphasized that failure of the B/S/O responsible to satisfy the set conditions and targets set under item no. 3.0 may entail ***exclusion/isolation from the PBB ranking*** and non-eligibility of its officials and staff to the PBB grant.

It is to be noted that unless otherwise specified by the AO 25 IATF, the DBM PMT shall have the final decision on the identification of units to be excluded/isolated from the grant of FY 2018 PBB and the implementation methods/process/strategy to be adopted therefor.

#### 4.2 Eligibility of Individuals:

The following are the eligibility criteria and requirements the individuals should meet to be deemed eligible to the FY 2018 PBB:

- 4.2.1 The eligibility of the DBM Secretary will depend on the eligibility and performance of the DBM-OSEC. His PBB for FY 2018 shall be equivalent to sixty-five percent (65%) of his monthly basic salary as of 31 December 2018. He shall not be included in the rating and ranking of B/S/Os and will be provided a separate line in the form prescribed by the AO25 IATF for the purpose.
- 4.2.2 Only eligible personnel belonging to eligible B/S/Os are qualified for the PBB. The PBB rate of an individual employee (which shall be based on his/her basic salary as of 31 December 2018) shall depend on the performance ranking of his/her B/S/O.
- 4.2.3 Employees of First and Second Level positions should receive a rating of at least "Satisfactory" based on the DBM's CSC-approved SPMS.
- 4.2.4 Officials or employees of Third Level positions should receive a rating of at least "Satisfactory" under the CESPES which covers all incumbents of CES positions for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent to the release of results of the CESPES.
- 4.2.5 An official or employee who rendered a minimum period of nine (9) months of service in FY 2018 and with at least "Satisfactory" rating in both rating periods of the year may be eligible to the full grant of the PBB.
- 4.2.6 An employee or official who rendered a minimum period 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%

4.2.6.1 The grant of PBB on pro-rata shall be limited to the following valid reasons only:

- a. Recent hiring of an 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.

4.2.7 Personnel who transferred from one government agency to another agency shall be rated, ranked and paid 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.

4.2.8 Personnel who transferred from a government agency that is *non-participating in the PBB implementation* or found to be *ineligible for the grant of PBB* shall be rated by the agency where he/she served the longest. The employee/official 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.

4.2.10 An Official or employee on “detail” to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from the mother agency.

4.2.11 An official or employee on “secondment” to another government agency shall be included in the rating and ranking of employees in the agency where he/she served the longest. Payment of the PBB shall be shared by the mother and recipient agency.

4.2.12 An employee or official who transferred or was reassigned from one B/S/O to another within the DBM-OSEC shall be rated and ranked in the B/S/O where he/she served the longest. If equal months were served for each Office, he/she will be included in the recipient Unit.

#### Individuals Not Eligible for the FY 2018 PBB Grant

4.3 The following officials and employees shall not be eligible for the FY 2018 PBB:

4.3.1 An official or employee who is on vacation or sick leave, with or without pay, for a period of more than nine (9) months during the year;

- 4.3.2 An official or employee found guilty of administrative and/or criminal cases filed against him/her and meted penalty in FY 2018, unless in which case penalty meted out is only a reprimand, such penalty shall not cause the disqualification from the PBB;
- 4.3.3 An official or employee who failed to submit the FY 2017 SALN prescribed in the rules provided under the pertinent CSC Memorandum Circular;
- 4.3.4 An official or employee who failed to liquidate Cash Advances received in FY 2018 within the reglementary period as required by the Commission on Audit (COA);
- 4.3.5 An Official or employee who failed to submit the following duly accomplished SPMS forms to Administrative Service – Human Resource Development Division (AS-HRDD), such as:
  - 4.3.5.1 Individual Performance Commitment and Review (IPCR)
  - 4.3.5.2 Division Performance Commitment and Review (DPCR)
  - 4.3.5.3 Individual Performance Accomplishment Report (IPAR)
  - 4.3.5.4 Division Performance Accomplishment Report (DPAR)
  - 4.3.5.5 Individual Development Plan (IDP), or the
  - 4.3.5.6 CESPES rating.
- 4.3.6 Those responsible for failure to comply with the following PBB requirements:
  - 4.3.6.1 DBM-OSEC's prior years' audit recommendations;
  - 4.3.6.2 DBM-OSEC's QMS certification, and
  - 4.3.6.3 Posting and dissemination of the DBM-OSEC system of rating and ranking the performance of B/S/Os.

## 5.0 RANKING OF ELIGIBLE B/S/OS AND PBB RATES FOR FY 2018 PBB

- 5.1 For the Rating and Ranking of DBM-OSEC all eligible B/S/Os shall be clustered/grouped considering the Department's functional set-up as may be approved by the DBM Secretary. The Rating and Ranking within each PBB group shall take into consideration, among others, the similarities and gravity of tasks and responsibilities of B/S/Os under each Group.

*Annex C* provides the PBB Grouping and identified Raters which shall be adopted for the rating and ranking of B/S/Os.

- 5.2 B/S/Os shall be **rated** using the following criteria and percentage score weights:

Criteria/Bases	% Share to Total Score
FY 2018 Year-end OPAR accomplishment rating	80%
Accomplishment in the Streamlining and Process Improvement of Critical Services/Key Processes	10%
Task Difficulty	10%
Total	100%



- 5.2.1 The score of 80% shall be taken from the verified and approved Office Performance Accomplishment Report (OPAR) for the two (2) semesters of FY 2018.
- 5.2.2 The score of 10% shall come from the accomplishment in the Streamlining and Process Improvement of Critical Services/Key Processes to be derived as follows:
  - 5.2.2.1 Each B/S/O shall declare at least one (1) Critical Service/Key Process to be enrolled for the purpose of the DBM-OSEC PBB Rating and Ranking;
  - 5.2.2.2 Each enrolled process should have baseline data and targets for improvement to include, among others, the number of signatures, number of documents and processing time;
  - 5.2.2.3 Accomplishments on each process enrolled as of 31 December 2018 shall be submitted, reflecting the streamlined and process improvement/s made with the corresponding computation thereof, to the CPMS which shall review and validate the same;
  - 5.2.2.4 Validated accomplishments shall be submitted to the PBB raters of each PBB Group to serve as the basis in determining the 10% of the total score of the B/S/Os; and
  - 5.2.2.5 The PBB raters within each PBB Group shall collectively determine and deliberate on the method, criteria and distribution/allocation of the 10% of the total PBB rating scores of B/S/Os from the CPMS validated accomplishments in the streamlined and improved processes/services.
- 5.2.3 The remaining 10% shall come from the criteria on Task Difficulty to be agreed upon among the assigned Senior Officials per PBB Group, taking into consideration the differing challenges faced by the respective B/S/Os. The Task Difficulty is intended to, among others, account for and make the rating and ranking of B/S/Os reflective of the efforts of the B/S/Os concerned in contributing to the achievement of the Functional Group's accomplishment, and the DBM-OSEC's total accomplishment in general.
  - 5.2.3.1 The criteria and rating on Task Difficulty shall be reflected in the Accomplished Rating and Ranking Form to be submitted by each PBB Group to the CPMS.
- 5.3 The designated Raters shall discuss the rating and ranking of the B/S/Os under their group. Each Rating and Ranking Group shall designate at least one (1) technical staff to serve as Secretariat who will be responsible for the recording of the proceedings of the meeting. The Secretariat shall prepare the Group's Minutes of Meeting for submission to the CPMS together with the accomplished Rating and Ranking Sheet of the Group.
  - 5.3.1 The Accomplished Rating and Ranking Sheet of B/S/Os and the Minutes of Meeting shall be simultaneously submitted to CPMS. The submission

of the PBB Group Rating and Ranking Sheet without the required Minutes of Meeting **shall not be accepted**.

5.3.2 Any changes made by the designated Raters in the rating criteria and corresponding percentage score weights as prescribed under this Guidelines and/or computations in the accomplishments as reported by the CPMS for the purpose of PBB Rating and Ranking, shall be reported and be subject to the review and approval of the DBM PMT prior to the implementation of the results of the rating and ranking of B/S/Os.

5.3.3 The CPMS shall issue the necessary Memorandum and accompanying forms in the conduct of the Rating and Ranking of B/S/Os.

5.4 The eligible B/S/Os shall be forced **ranked** as follows:

<b>Ranking</b>	<b>Performance Category</b>	<b>PBB Grant as % of Monthly Basic Salary</b>
Top 10%	Best B/S/O	65.00%
Next 25%	Better B/S/O	57.50 %
Next 65%	Good B/S/O	50.00%

Based on the AO 25 IATF's prescribed ranking distribution and DBM's thirty five (35) B/S/Os, the DBM-OSEC shall have the corresponding number of entitled B/S/Os per Performance Category as follows:

<b>Percentage Ranking Distribution</b>	<b>Performance Category</b>	<b>Computation</b>	<b>No. of DBM B/S/Os</b>
Top 10%	Best B/S/O	$35 \times 0.10 = 3.50$	4
Next 25%	Better B/S/O	$35 \times 0.25 = 8.75$	9
Next 65%	Good B/S/O	$35 \times 0.65 = 22.75$	22
<b>Total No. of DBM B/S/Os</b>			<b>35</b>

Corollary, assuming all DBM-OSEC B/S/Os are deemed eligible, each of the PBB Groups identified in Annex B shall limit the entitled B/S/Os per Performance Category based on the following:

	<b>No. of B/S/Os</b>	<b>Performance Category</b>		
		<b>Best</b>	<b>Better</b>	<b>Good</b>
Group 1: Support	6	1	1	4
Group 2: Policy	7	1	2	4
Group 3: Operations	6	1	1	4
Group 4: Regional Operations	16	1	5	10
<b>Grand Total</b>	<b>35</b>	<b>4</b>	<b>9</b>	<b>22</b>

5.5 The resulting ranking of B/S/Os shall be indicated in the Form 1.0 Report on Ranking of Offices/Delivery Units to be submitted to the AO 25 IATF.



- 5.5.1 To recognize high performance of government employees in relation to the achievement of DBM-OSEC targets and requirements for the grant of the FY 2018 PBB, the AS-HRDD shall list the names of employees in the B/S/Os using Form 1.0.

## **6.0 CAUSES FOR DISQUALIFICATION AND PROHIBITED ACTS:**

- 6.1 In the event that the AO25 IATF conducts a random check on the SALNs submitted by DBM employees or the posted DBM-OSEC Review and Compliance Procedure of SALN, and finds non-compliance thereof with the CSC-prescribed guidelines, the DBM-OSEC may be disqualified in the succeeding PBB cycle.
- 6.2 If the DBM-OSEC, after due process by the oversight agency, has been determined to have committed either of the following prohibited acts, it shall be disqualified from the PBB in the **succeeding year** of its implementation. Moreover, the CSC or Ombudsman shall file the administrative case appropriate to the following:
- 6.2.1 Misrepresentation in the submitted reports required for the PBB, commission of fraud in the payment of the PBB and violation of the provisions of the AO 25 IATF Memorandum Circular No. 2018-1
- 6.2.2 Even/Equal distribution of the PBB among employees in the DBM-OSEC, in violation of the policy of paying the PBB based on the ranking of B/S/Os.

## **7.0 RESPONSIBILITIES OF B/S/Os and INDIVIDUALS CONCERNED**

The following are the duties and responsibilities in implementing the FY 2018 PBB.

- 7.1 Bureau/Service/Office (B/S/O)
- 7.1.1 At the end of the performance period, the B/S/Os shall submit to their respective Functional Group Heads (FGHs) their accomplishments for the First and Second Semesters for purposes of performance evaluation within the prescribed period, copy furnished CPMS-Monitoring Division (MD). The same shall be endorsed by their FGHs to the DBM PMT, through the DBM PMT Secretariat;
- 7.1.2 Ensure that the submitted PBB targets and accomplishments are harmonized with the commitments stated in the GAA/Budget Execution Documents (BEDs), their respective OPCR and the posted Citizens Charter; and the accomplishment reports consistent with the Budget Accountability Report (BAR) No. 1 reflected and posted on the DBM website;
- 7.1.3 Comply and coordinate with the CPMS and the Lead Coordinating/Monitoring/Overall Oversight (LC/M/O) concerned per Annex B relative to the requirements specified under the activities in Annex "A" hereof;

- 7.1.4 Prepare for spot-checks that may be conducted by the AO 25 IATF to validate claims and certifications made by the DBM-OSEC; and
- 7.1.5 Provide necessary justifications/explanations on matters requiring the same to assist the LCMO or PMT Secretariat in conveying them to the AO25 IATF.

**7.2 Lead Coordinating/Monitoring/Overall Oversight (LC/M/Os)**

- 7.2.1 Coordinate and follow-up with B/S/Os concerned on the submission of the PBB requirements under their respective coverage;
- 7.2.2 Ensure consistency and timely submission of requirements/documents to AO25 IATF designated oversight and validating agencies;
- 7.2.3 Coordinate with validating and/or oversight agencies on clarifications, issues, concerns related to the DBM compliance;
- 7.2.4 Address issues and concerns identified by validating and/or oversight agencies with respect to the DBM's compliance to requirements and prepare related documents/requirements on the same;
- 7.2.5 Provide status report on DBM compliance with the requirements under their respective coverage, as well as photocopies of submitted documents, as applicable, to the DBM PMT thru the CPMS; and
- 7.2.6 Prepare and/or facilitate the preparation of the necessary justifications/explanations for non-compliance with FY 2018 PBB requirement per the AO25 IATF evaluation results.

**7.3 Functional Group Heads (FGHs)**

- 7.3.1 Submit to the CPMS-MD the accomplished Rating and Ranking Report of eligible B/S/Os under their supervision, with corresponding Minutes of Meeting, in time for the submission of DBM-OSEC's Accomplishment to the AO 25 Secretariat; and
- 7.3.2 Inform the Directors of the B/S/Os under their respective coverage of the results of the rating and ranking after approval thereof by the DBM Secretary.

**7.4 Administrative Service-Human Resource Development Division (AS-HRDD)**

- 7.4.1 Prepare the preliminary Form 1.0 and the number/list of personnel therein based on the submissions duly signed by the designated Raters of B/S/Os for submission to CPMS-MD in time for the submission to the AO 25 Secretariat; and
- 7.4.2 Provide the CPMS a complete list of DBM employees, with corresponding information on their respective compliance with the FY 2018 PBB requirements for eligibility of individual employees.



## **7.5 Corporate Planning and Management Service (CPMS)**

- 7.5.1 Coordinate and monitor the *DBM-OSEC*'s compliance with PBB Forms, based on the data provided by the B/S/Os in their respective Accomplishment Reports. The PBB Reports/Forms shall be submitted to the PMT for evaluation/approval;
- 7.5.2 Submit the consolidated AO25 IATF prescribed Forms to the DBM PMT for evaluation/review, and endorsement for the approval of the Secretary;
- 7.5.3 Transmit the Rating and Ranking of B/S/Os received from the PBB Group Raters to the AS-HRDD for the preparation of the preliminary Form 1.0 Report on Ranking of B/S/Os for submission to AO 25 IATF;
- 7.5.4 Assist in the development and implementation of internal communications strategy on the Performance Based Incentive System (PBIS):
  - 7.5.4.1 Disseminate the performance targets and accomplishments of the DBM-OSEC by posting the same on the DBM-OSEC website;
  - 7.5.4.2 Conduct briefing, consultation meetings, and other related activities with DBM PRIME Officers/Alternates, PBB Raters, FGH, B/S/Os, officials and employees on the DBM-OSEC's PBB implementation;
  - 7.5.4.3 Prepare and draft the necessary Department Orders, Office Orders, PBB Advisories and Memoranda to facilitate the DBM-OSEC's PBB implementation; and
  - 7.5.4.4 Act as Help Desk, through telephone no. 657-3300 local 3218, to respond to queries and comments on the DBM-OSEC's FY 2018 PBB targets and accomplishments and other PBB related concerns.

## **7.6 Performance Management Team (PMT)**

- 7.6.1 Evaluate and assess the PBB Reports per initial evaluation of the CPMS, and present the same to the DBM-OSEC or Executive Committee for approval. Upon approval, the same shall be submitted to the IATF through the AO 25 Secretariat, subject to the rules on re-evaluation, as may be applicable;
- 7.6.2 Lead efforts on the development and implementation of the internal communication strategy on PBIS;
- 7.6.3 Act as Appeals Body and Final Arbiter for PBB issues and concerns;

7.6.4 Oversee the implementation of this Guidelines and issue necessary rules, regulations, policies, and directives, consistent with the AO25 IATF guidelines; and

7.6.5 Endorse and submit all authorized PBB-related documents to the AO 25 IATF through the CPMS or any authorized representatives.

## **8.0 APPEALS**

All Appeals relative to the implementation of the DBM-OSEC's Grant of FY 2016 PBB shall be acted upon pursuant to Item 9.0 of Department Order No. 22, s. 2017 on the DBM SPMS Guidelines, dated 17 November 2017.

## **9.0 CALENDAR OF PBB ACTIVITIES**

The indicative timeline set by AO 25 IATF for compliance of Departments/Agencies with the requirements of FY 2018 PBB implementation attached as "Annex A" hereof shall be observed by all DBM B/S/Os, officials and employees concerned subject to the issuance of subsequent PBB advisories by the PMT.

## **10.0 DELEGATION OF AUTHORITY**

The DBM-PMT is hereby authorized to issue necessary guidelines and directives relative to the grant of the PBB for FY 2018 consistent with the AO 25 IATF MC No. 2018-1.

## **11.0 AMENDMENTS**

All other Orders or provisions thereof inconsistent and contrary to this Order or its provisions are hereby superseded, rescinded and/or amended accordingly.

## **12.0 EFFECTIVITY**

This Office Order shall take effect immediately.

  
**BENJAMIN E. DIOKNO**  
Secretary





## TIMELINE FOR THE FY 2018 PBB IMPLEMENTATION

Particulars	Due Date Per AO 25 IATF MC No. 2018-01
<b>Physical targets and accomplishments:</b>	
<i>Operations</i>	
1. Streamlining and Process Improvement	28 February 2019
2. Citizen/Client Satisfaction	
<i>Support to Operations</i>	
3. QMS certification	31 December 2018
<i>General Administration and Support Services (GASS)</i>	
4. Budget Utilization Rate (BUR)	28 February 2019
5. Sustained Compliance with Audit Findings	31 December 2018
6. Submission of BFARs online thru URS	
- First Quarter	15 April 2018
- Second Quarter	15 July 2018
- Third Quarter	15 October 2018
- Fourth Quarter	15 January 2018
7. COA Financial Reports	30 March 2018
8. Procurement Documents	
- FY 2018 APP non-CSE	31 January 2019
- Indicative FY 2019 APP non-CSE	31 August 2018
- FY 2019 APP CSE	31 August 2018
- Undertaking of early procurement for at least 50% of volume or number of good and services	31 January 2019
- Results of the FY 2017 APCPI System	31 August 2018
<b>Good Governance Conditions:</b>	
9. Transparency Seal	01 October 2018
10. PhilGEPS Posting	31 January 2019
11. Citizen's/Service Charter	01 August 2018
<b>Other Cross Cutting Requirements</b>	
12. Submission of SALN of employees	30 April 2018
13. Agency Review and Compliance Procedure of Statement and Financial Disclosures	01 October 2018
14. FOI Compliance	
- People's FOI Manual	30 September 2018
- Agency Information Inventory	30 September 2018
- 2017 and 2018 FOI Summary Report	31 January 2019
- 2017 and 2018 FOI Registry	31 January 2019
- Screenshot of Agency's Homepage	30 September 2018
15. Posting of Agency's System of Rating and Ranking Delivery Units	01 October 2018
16. Submission of Agency Report on Rating and Ranking of Delivery Units (Form 1.0 and PBB Evaluation Matrix)	28 February 2019

**SUMMARY OF ELIGIBILITY REQUIREMENTS  
RESPONSIBLE/CONTRIBUTING B/S/OS AND LCMO UNITS**

Requirements	Responsible/Contributing DUs	LCMO Unit
<b>PHYSICAL TARGETS</b>		
<i>Operations:</i>		
1. Streamlining and Process Improvement of Key/Critical Services/Processes	All B/S/Os in the DBM-OSEC	CPMS
2. Client/Citizen Satisfaction Measure		
<i>Support To Operations:</i>		
3. QMS Certification Compliance	All B/S/Os in the DBM-OSEC	ICTSS
- Posting in the Transparency Seal		
- Submission of certified true copy of Certificate to validating entity	CPMS	CPMS
<i>General Administration and Support Services</i>		
4. Budget Utilization Rate	All B/S/Os in the DBM-OSEC	FS
5. Sustained Compliance with Audit Findings	All B/S/Os concerned in the DBM-OSEC	FS
6. Submission of BFARs online through the URS	All B/S/Os concerned with respect to the submission of Reports	FS and CPMS
7. Submission of COA Financial Reports	All B/S/Os in the DBM-OSEC	FS and the RCU for ROs
8. Procurement-related Documents	All B/S/Os in the DBM-OSEC	AS-PMD and the RCU for ROs
- FY 2018 APP-non CSE		
- Indicative FY 2019 APP non-CSE		
- FY 2019 APP-CSE		
- Undertaking of at least 50% of volume or number of goods and services		
- Results of FY 2017 APCPI System		
<b>GOOD GOVERNANCE CONDITIONS</b>		
9. Transparency Seal	All B/S/Os in the DBM-OSEC	ICTSS
10. PhilGEPS posting (transactions above P 1 million and with 31 December 2018 cut-off) including the early procurement of FY 2019 non CSE items	All procuring B/S/Os in the Central Office and the ROs BAC	AS-PMD
11. Citizen's/Service Charter Certificate of Compliance pursuant to CSC MS. 14. s. 2017	All B/S/Os performing key/critical service/process reflected in the Citizen's Charter	CPMS
<b>OTHER CROSS-CUTTING REQUIREMENTS</b>		
12. Submission of SALN of employees	All B/S/Os of the DBM-OSEC	AS-HRDD
13. Agency Review and Compliance Procedure of Statement and Financial Disclosure	LS, IAS, AS	LS and AS-HRDD
14. FOI Compliance		
- People's FOI Manual	BITS	BITS
- Agency Information Inventory	AS-CRD and OCIO	AS-CRD and OCIO
- 2017 and 2018 FOI Summary Report	OCIO	OCIO
- 2017 and 2018 FOI Registry	OCIO	OCIO
- Screenshot of DBM's homepage with functioning FOI link to the eFOI portal	OCIO	OCIO
15. Posting of DBM-OSEC's System of Rating and Ranking B/S/Os	All B/S/Os in the DBM-OSEC	CPMS and AS-HRDD
16. Submission of DBM-OSEC's Report on Ranking B/S/Os (Form 1 and PBB Evaluation Matrix)	All B/S/Os in the DBM-OSEC	CPMS and AS-HRDD



**RATING AND RANKING GROUP OF BUREAU/SERVICE/OFFICE (B/S/Os) FOR FY 2018 GRANT OF PBB**

<b>GROUPS</b>	<b>NO. OF B/S/Os</b>	<b>B/S/Os</b>		<b>RATERS</b>
Group 1: Support	6	<ul style="list-style-type: none"> <li>▪ AS</li> <li>▪ CPMS</li> <li>▪ FS</li> </ul>	<ul style="list-style-type: none"> <li>▪ LS</li> <li>▪ BITS</li> <li>▪ ICTSS</li> </ul>	<i>Lead Rater:</i> <ul style="list-style-type: none"> <li>▪ ASec. Myrna S. Chua</li> </ul> <i>Co-Raters:</i> <ul style="list-style-type: none"> <li>▪ USec. Janet B. Abuel</li> <li>▪ USec. Lilia C. Guillermo/ Asec. Clarito Alejandro D. Magsino</li> <li>▪ USec. Amenah F. Pangandaman</li> <li>▪ USec. Laura B. Pascua/Asec. Amelita D. Castillo</li> </ul>
Group 2: Policy	7	<ul style="list-style-type: none"> <li>▪ BTB</li> <li>▪ FPRB</li> <li>▪ IAS</li> <li>▪ LGRCB</li> </ul>	<ul style="list-style-type: none"> <li>▪ OPCCB</li> <li>▪ OSEC</li> <li>▪ SPIB</li> </ul>	<i>Lead Rater:</i> <ul style="list-style-type: none"> <li>▪ USec. Laura B. Pascua</li> </ul> <i>Co-Raters:</i> <ul style="list-style-type: none"> <li>▪ USec. Janet B. Abuel</li> <li>▪ USec. Agnes Joyce G. Bailen</li> <li>▪ USec. Amenah F. Pangandaman</li> <li>▪ ASec. Amelita D. Castillo</li> <li>▪ ASec. Myrna S. Chua</li> </ul>
Group 3: Operations	6	<ul style="list-style-type: none"> <li>▪ BMBs A to F</li> </ul>		<i>Lead Rater</i> <ul style="list-style-type: none"> <li>▪ USec. Tina Rose Marie L. Canda</li> </ul>
Group 4: Regional Operations	16	<ul style="list-style-type: none"> <li>▪ Regions I-III, IVA &amp; IVB, V – XIII, CAR and NCR</li> </ul>		<i>Lead Rater</i> <ul style="list-style-type: none"> <li>▪ USec. Janet B. Abuel</li> </ul> <i>Co-Raters:</i> <ul style="list-style-type: none"> <li>▪ USec. Tina Rose Marie L. Canda</li> <li>▪ USec. Herman B. Jumilla</li> </ul>