



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

OFFICE ORDER NO. 516, s. 2017

Subject: INTERNAL GUIDELINES ON THE GRANT OF THE CY 2017 PERFORMANCE-BASED BONUS (PBB) INCLUDING THE PROCESS AND CRITERIA ON RANKING OF ELIGIBLE DBM-OSEC DELIVERY UNITS (DUS)

Date: JULY 18, 2017

1.0 PURPOSE

In the interest of the service and pursuant to Memorandum Circular (MC) No. 2017-1¹ issued by the Inter-Agency Task Force (IATF) on AO 25, the guidelines on the grant of the Performance-Based Bonus (PBB) for CY 2017 in the Department of Budget and Management (DBM) – Office of the Secretary (OSEC) is hereby issued for the following purposes:

- 1.1 To inform and guide all DUs of DBM on the updated requirements for the grant of the CY 2017 PBB;
- 1.2 To adopt a uniform criteria on rating and forced ranking of DUs and rating of its officials and employees;
- 1.3 To inform and guide officials and employees on the rating and ranking process of DUs;
- 1.4 To identify the following:
 - 1.4.1 the respective roles/responsibilities of each DU in the DBM-OSEC to be entitled to the CY 2017 PBB;
 - 1.4.2 the key offices/units and their respective roles and responsibilities in the implementation of the CY 2017 PBB;
- 1.5 To clearly set deadlines for the submission of the PBB requirements.

2.0 COVERAGE

- 2.1 All delivery units of the DBM-OSEC

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

¹ dated March 9, 2017

issue separate guidelines in the implementation of their respective CY 2017 PBB grant.

- 2.2 All officials and employees of DUs 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 lump-sum appropriation under Personnel Services, or those occupying positions in the DBM-OSEC-approved contractual staffing pattern.

3.0 CY 2017 REQUIREMENTS FOR THE GRANT OF PBB:

Consistent with Item 4.0 of the AO 25 IATF MC the following requirements/conditions must be satisfied by the DBM-OSEC to be eligible for PBB:

- 3.1 Achieve performance targets under the following commitments:

- 3.1.1 Major Final Outputs (MFOs)

Achieve each one of the Congress-approved performance targets for the delivery of MFOs under the Performance-Informed Budget (PIB) of the CY 2017 General Appropriations Act (GAA). Organizational performance in the achievement of MFO targets shall be closely monitored through the use of the quarterly accountability reports uploaded in the DBM Unified Reporting System (URS) to indicate the progress towards the accomplishment of broader sectoral and societal outcomes targeted by the agency for improving the lives of Filipinos.

- 3.1.2 Common **Support to Operations (STO)** targets as follows:

- 3.1.2.1 Establishment of one of the following, as applicable to the DBM:

- a. Certification/continuing certification of the Quality Management System (QMS) for at least one (1) core process certified by an international certifying body duly accredited by the International Accreditation Forum (IAF) members, and preferably further accredited by Philippine Accreditation Bureau of the Department of Trade and Industry. The certification must be valid until December 31, 2017 or later date, and must be posted in the DBM Transparency Seal not later than December 31, 2017.

A certified-true copy of the DBM OSEC's QMS ISO Certificate/s shall be submitted to the Government Quality Management Committee, thru its DBM Secretariat, immediately after obtaining an ISO QMS Certificate of Re-certification not later than December 31, 2017, for verification purposes.

OR

- b. At least an ISO-aligned documentation of its QMS for at least one (1) core process to include the following:
 - i. Approved Quality Manual and Approved Procedures and Work Instructions Manual including Forms; and
 - ii. Evidence of ISO 9001-aligned QMS implementation, i.e., (1) Certification of the Head of the Agency on the conduct of Internal Quality Audit; and (2) Minutes of the CY 2017 Management Review.

3.1.2.2 The second STO target identified in accordance with the priorities of the DBM Secretary.

3.1.3 Common **General Administration and Support Services (GASS)** targets as follows:

3.1.3.1 Budget Utilization Rate (BUR):

- a. Obligations BUR computed as obligations against all allotments *still effective* in CY 2017, both continuing and current year from all appropriation sources, including those released under the "GAA as the allotment order" policy for maintenance and other operating expenses (MOOE) and capital outlays (CO) in CY 2017; and
- b. Disbursement BUR measured by the ratio of total disbursement (cash and non-cash, excluding Personnel Services) to total obligations for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) in CY 2017.

Pursuant to Item III.A of the CY 2017 President's Veto Message, Departments/Agencies are directed to ensure the obligation of programs, activities and projects funded under the CY 2017 GAA not later than December 31, 2017. Failure to do so will affect future budget levels of the respective departments/agencies.

3.1.3.2 Budget Financial Accountability Reports (BFARs) as provided in COA-DBM-DOF Joint Circular No. 2014-1²:

- a. Quarterly submission of BFARs online using the DBM's URS 30 days after end of each quarter, and uploading of the same in the DBM Transparency Seal.

² Guidelines Prescribing the Use of Modified Formats of the Budget Financial Accountability Reports (BFARs), dated July 2, 2014

3.1.3.3 The DBM-OSEC shall have fully complied with at least 30% of the prior years' audit recommendations, as shown in the Report on Status of Implementation of Prior Years' Recommendations of the Annual Audit Report (AAR). The objective of the requirement is to improve the DBM-OSEC's internal control processes, operate effectiveness, and eliminate most, if not all, of these audit findings concerned by providing resolution and remedy on the same by the end of 2019.

3.2 Satisfy 100% of the **Good Governance Conditions (GGC)** set for CY 2017 by the AO 25 IATF based on the existing performance drivers of the Results-Based Performance Management System (RBPMS) and thrusts of the Duterte Administration for transparency, accountability and people-focused public service, as follows:

3.2.1 Maintain/Update the **DBM Transparency Seal (TS)** in accordance with Section 93 of RA 10924 (CY 2017 GAA), and as provided in Annex 7 (Guideline on Transparency Seal) of AO 25 IATF MC No. 2017-1:

3.2.1.1 The DBM-OSEC TS page should be accessible by clicking on the TS logo on the home page, and should contain the following documents:

- a. DBM mandates, vision, mission and names of officials with their position and designation, and contact information;
- b. Annual Financial Reports (whole year/as of December end of the year/ 4th Quarter. Incomplete or non-cumulative will not be counted):

CY 2013 TO CY 2017

- i. FAR No. 1: Statement of Appropriations, Allotments, Obligations, Disbursements and Balances as of December YEAR) (SAAOBDB)
 - ii. Summary Reports on Disbursements
 - iii. BAR No. 1 – Quarterly Physical Reports of Operations/Physical Plan
 - iv. FAR No. 5 – Quarterly Report of Revenue and Other Receipts
 - v. Financial Plan (Detailed Statement of Current Year's Obligations, Disbursements and Unpaid Obligations);
- c. DBM-approved budget and corresponding targets for CY 2017;

d. CY 2017 Projects, Programs and Activities, Beneficiaries and Status of Implementation in CY 2017 (indicate if not applicable otherwise a zero rating will be given);

e. Annual Procurement Plan (APP):

i. CY 2017 APP-*non* Common Supplies and Equipment (CSE) in the format prescribed under GPPB Circular No. 07-2015, which should be posted not later than one month after the issuance of the IATF Circular.

NOTE: Simultaneous or prior to TS posting, the aforementioned APP-*non* CSE approved by the Head of Procuring Entity (HOPE) shall be submitted to the GPPB within one (1) month after the issuance of IATF Circular in the format prescribed under GPPB Circular No. 07-2015³. A scanned copy of the same may be sent to the GPPB-TSO's email: app@gppb.gov.ph with subject line: "APP for CY 2017 of <complete name of Head of Office/Agency><Regions _ to _, if applicable> for PBB"

ii. CY 2018 APP-CSE

NOTE: Simultaneous or prior to TS posting, the CY 2018 APP-CSE shall be submitted to the DBM-Procurement Service, on or before November 30, 2017, following the prescribed format provided in the Guidelines to be issued by the DBM-Procurement Service through a separate Circular Letter

f. QMS ISO Certification to be posted not later than December 31, 2017;

g. The Freedom of Information (FOI) Manual, to be uploaded on or before October 1, 2017; and

h. System of rating and ranking DUs, to be posted and disseminated to employees not later than October 1, 2017.

3.2.1.2 The Certificate of Compliance (COC) to the TS is no longer necessary since the concerned oversight agency shall be conducting validation based on the agreed monitoring schedule.

3.2.2 Maintain/update the posting of all Invitations to Bids and awarded contracts in the *PhilGEPS* pursuant to the Revised Implementing Rules and Regulations (IRR) of RA 9184 (Government Procurement Reform Act) for transactions from November 16, 2016 to November 15, 2017.

³Preparation of the Annual Procurement Plan (APP), dated 16 July 2015

- 3.2.2.1 The DBM-OSEC's status of notices in the PhilGEPS for all transactions covered should be updated on or before December 1, 2017. Failed/cancelled bid status should likewise be updated in the PhilGEPS.
- 3.2.2.2 In case the DBM-OSEC fails to update/post the required documents⁴ in the PhilGEPS due to factors that are beyond the control of the Department, the DBM-OSEC – through the DBM-OSEC Responsible Unit – should inform PhilGEPs and submit a letter of explanation⁵ to the AO 25 IATF on or before December 1, 2017.
- 3.2.2.3 Similar to the TS, the COC to the PhilGEPS is no longer necessary since the concerned oversight agency shall be conducting validation based on the agreed monitoring schedule
- 3.2.3 Comply with the President's directive on improving all frontline services consistent with the objectives of the *Anti-Red Tape Act (ARTA) of 2007* (RA 9485) and the President's directive to cut down processing time of all applications from submission to release, and to ensure accessible and convenient delivery of services to the public as reflected in Civil Service Commission (CSC) MC No. 14, s. 2017⁶:
- 3.2.3.1 Maintain/update the Citizen's or Service Charter or its equivalent, reflecting the agency's enhanced service standards for all its front line services to citizens, businesses, and government agencies,
- 3.2.3.2 Self-assessment and reporting of improvements made by the DBM-OSEC to implement the aforesaid CSC MC. DBM-OSEC needs to target all possible actions/measures to reach the enhanced service standards in 2018 should events/factors prevent it from reaching these in 2017,
- 3.2.3.3 Agencies having no frontline service, shall submit the Certificate of Compliance (COC) to the CSC indicating compliance with the posting requirements of its Service Charter not later than June 1, 2017 using the template provided in Annex B of CSC MC No. 14,
- 3.2.3.4 Upholding the spirit of participatory governance, the validation of the DBM-OSEC's compliance to the ARTA, shall be complemented with report feedback and complaints from citizen/s gathered by the Office of the President, CSC, and the Presidential Communications Operations Office (PCOO) from the 8888 hotline and FOI portal.

⁴Bids 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

⁵ Sample format of letter provided under Annex 6 of AO 25 IATF MC No. 2017-1

⁶Validation Guidelines on Citizen's Charter

The validating agencies shall issue a report covering complaints gathered in terms of processing times, including the frequency of the complaints. Based on this, the AO 25 IATF will determine the DBM-OSEC's eligibility to the PBB.

- 3.2.3.5 In case after CSC validation, the DBM-OSEC was identified with deficiencies, the DBM-OSEC responsible unit shall prepare the necessary COC after Validation (COCV)⁷ for DBM issuance to rectify the deficiencies noted;
- 3.2.4 Develop the *FOI Manual*, pursuant to requirements and provision of EO No. 2 s. 2016, to be uploaded in the DBM Transparency Seal on or before October 1, 2017, for validation by the PCOO.
- 3.3 Use of the following individual performance rating:
 - 3.3.1 CSC-approved Strategic Performance Management System (SPMS) for first and second level employees, as well as, other officials holding/performing managerial and executive functions who are not Presidential appointees; and
 - 3.3.2 Career Executive Service Performance Evaluation System (CESPES) for CES officials and incumbents of CES positions.
- 3.4 Other requirements for submission:
 - 3.4.1 The results of the CY 2017 Agency Performance Compliance and Performance Indicators (APCPI) System, per GPPB Resolution No. 10-2012, complete with the required forms⁸, should be submitted on or before March 31, 2017, either in electronic (MS Excel) format thru apcpi@gppb.gov.ph with subject line "2016 APCPI Initial Results of <complete name of Head of Office/Agency> for PBB"; OR printed (signed) copies hand carried/mailed through GPPB-TSO;
 - 3.4.2 The Report on Ageing of Cash Advance should be submitted to the Commission on Audit (COA), with cut-off date of November 15, 2017, through the DBM-OSEC DUs respective Resident Auditors on or before November 30, 2017. The Report should be duly signed by the Agency Head, Accounting Office, and verified by the COA Resident Auditor; and
 - 3.4.3 COA Annual Financial Reports and Statements should be submitted directly to COA in accordance with the mandated period of submission, DUs concerned shall likewise submit their FY 2016 Financial Reports not later than March 31, 2017.

⁷Template is provided in Annex C of CSC MC No. 14 s. 2017

⁸ Required forms are : a. APCPI – Self Assessment form; b. APCPI Consolidated Procurement Monitoring Report; c. APCPI –Procurement Capacity Development Action Plan; and Questionnaire. The APCPI Tool is accessed and downloaded using the link: <http://www.gppb.gov.ph/apcpi/apcpi.html>

4.0 ELIGIBILITY: DUs and Individual

The eligibility criteria for DUs of the DBM-OSEC and Individuals for the CY 2017 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 that B/S/O is eligible, provided that the employee has passed the eligibility criteria for individuals.

Eligibility of DUs

- 4.1 To assist in ensuring that the DUs and the DBM-OSEC, as a whole, shall be compliant to the aforementioned requirements and prepared for the IATF validation, Lead Coordinating/Monitoring/Overall Oversight (LC/M/O) Units are identified to oversee the specific activities related to the PBB implementation. The LC/M/O Units shall be tasked to monitor and gather the required documents for posting and/or for timely and complete submission of all inputs to the IATF thru the CPMS, as well as, serve as focal units on matters pertaining to their respective PBB implementation assignments.

A summary of the eligibility criteria/requirements with corresponding DUs concerned and LC/M/O Units is provided in *Annex B*.

- 4.2 DUs that meet the applicable requirements and conditions under item 3.0 of this Order are eligible for the grant of the CY 2017 PBB. Unless otherwise specified by the IATF, the DBM PMT shall have the final decision on the identification of units to be excluded and the implementation method/process/strategy to be adopted.

Eligibility of Individuals

- 4.3 The following general performance criteria for individuals shall be adhered to in order to be eligible for the PBB:

4.3.1 The eligibility of the DBM Secretary will depend on the eligibility and performance of the DBM. His PBB for CY 2017 shall be equivalent to 65% of his monthly basic salary. He shall not be included in the ranking and rating of DUs but will be provided a separate line under Form 1.0.

4.3.2 An official or employee who rendered a minimum period of nine (9) months of service in FY 2017 and with at least "Satisfactory" rating in both rating periods may be eligible to the full grant of the PBB.

4.3.2.1 Employees belonging to the first and second level positions should receive a rating of at least "Satisfactory" based on the DBM's CSC-approved SPMS.

4.3.2.2 Third level officials 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 and after having been subjected to the processes and procedures as provided under CESB Resolution No. 1136 series of 2014 – Guidelines on the Enhanced CESPES. Payment of the PBB

to Third Level officials shall be contingent on the release of results of the CESPES.

4.3.2.3 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".

4.3.2.4 Other officials who are presidential appointees assigned with special projects/tasks not required to perform managerial and/or executive functions are covered by the agency's CSC-approved SPMS and should receive a rating of at least "Satisfactory".

4.4 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.

4.5 An employee or official who rendered a minimum period of three (3) months but less than the period of 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:

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%

4.5.1 The following are the valid reasons for an employee who may not meet the nine (9)-month actual service requirement to be considered for PBB on a pro-rata basis:

- 4.5.1.1 Being a newly hired employee
- 4.5.1.2 Retirement
- 4.5.1.3 Resignation
- 4.5.1.4 Rehabilitation Leave
- 4.5.1.5 Maternity Leave and/or Paternity Leave
- 4.5.1.6 Vacation or Sick Leave with or without pay
- 4.5.1.7 Scholarship/Study Leave
- 4.5.1.8 Sabbatical Leave

4.6 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.

4.7 Only eligible personnel belonging to eligible DUs are qualified for the PBB. The PBB rates of individual employees (which shall be multiplied to his/her basic salary) shall depend on the performance ranking of the B/S/O or DU where they belong, as provided in Item No. 5.3 below.

Individuals Not Eligible for the FY 2017 PBB

4.8 The following employees shall not be eligible for PBB:

- 4.8.1 An official/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;
- 4.8.2 An official /employee found guilty of administrative and/or criminal cases filed against him/her and meted penalty in CY 2017 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification from the PBB;
- 4.8.3 Officials and employees who failed to submit their CY 2016 SALN prescribed in the rules provided under CSC Memorandum Circular No. 3 (s. 2015);
- 4.8.4 Officials and employees who failed to liquidate Cash Advances received in CY 2017 within the reglementary period as required by the Commission on Audit (COA) shall not be entitled to the CY 2017 PBB;
- 4.8.5 Officials and employees who failed to submit their duly accomplished Individual Performance Accomplishment Report (IPAR) or CESPEs ratings to the Administrative Service – Human Resource Development Division (AS-HRDD) shall not be entitled to the CY 2017 PBB;
- 4.8.6 Those responsible officials/employees who failed to ensure DBM-OSEC compliance to PBB requirements:
 - 4.8.6.1 Officials and employees responsible for submitting DBM-OSEC's COA required Annual Financial Reports and Statements to include Financial Statements (FS), Annual Financial Reports and Annual Audit Reports (AARs), who failed to comply with the said reporting requirements as prescribed in COA Resolution 2014-003¹⁰ and COA Circular 2015-002¹¹.
 - 4.8.6.2 The Head of Procuring Entity (HOPE), Chairman and Secretariat of the Bids and Awards Committee (BAC) that failed to submit the following in accordance with the prescribed guidelines/policy covering each:
 - a. CY 2017 APP-non CSE to the GPPB on the prescribed deadline/period, format and requirements;
 - b. CY 2018 APP-CSE to the DBM-Procurement Service on the prescribed deadline/period, format and requirements.

¹⁰ Adoption of the Philippine Public Sector Accounting Standards, dated 24 January 2014

¹¹ Supplementary guidelines on the preparation of financial statements and other financial reports, the transitional provisions on the implementation of the Philippine Public Sector Accounting Standards, and the coding System, dated 9 March 2015

c. Results of the CY 2016 APCPI System within the prescribed deadline/period, format and requirements

4.8.6.3 Officials and employees responsible for the DBM-OSEC's non-compliance on prior years' audit recommendations;

4.8.6.4 Officials and employees responsible for the QMS certification or alignment where DBM-OSEC failed to comply with the said requirement.

4.8.6.5 Officials and employees responsible for posting and dissemination of the DBM-OSEC system of ranking performance of delivery units.

4.9 The following are emphasized:

4.9.1 Non-compliance with any Good Governance Conditions will render the entire DBM-OSEC ineligible for the PBB. Assessment of compliance with the GGCs requirements shall be conducted starting October 1, 2017;

4.9.2 Failure of the responsible DU to satisfy the set conditions and targets shall entail *exclusion/isolation from the PBB ranking*, and non-eligibility of its officials and staff to the PBB grant.

4.9.3 In case the DBM-OSEC is assessed to have deficiencies in meeting its performance commitment, the Department Secretary may request for re-evaluation of the DBM-OSEC's compliance status and submit the justification/s to warrant a reconsideration of the initial assessment results. For the purpose of re-evaluation, justifiable reasons are those factors or issues which are considered outside the control of the agency.

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

5.0 RANKING OF ELIGIBLE DELIVERY UNITS AND RATES FOR CY 2017 PBB

5.1 Eligible DUs shall be clustered/grouped considering DBM-OSEC functional set-up as approved by the DBM Secretary or the DBM PMT. Ranking and Rating within each group shall take into consideration, among others, the similarities and gravity of tasks and responsibilities of DUs under each Group.

Annex C provides the PBB Grouping and identified Raters which shall be adopted for the rating and ranking of DUs.

5.2 DUs shall be **rated** using a Rating System with the following criteria and percentage score weights:

Criteria/Bases	% Share to Total Score
Average OPAR accomplishment rating for CY 2017	80%
Task Difficulty	20%
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) succeeding semesters.
- 5.2.2 The criteria for Task Difficulty shall be agreed upon by the assigned Senior Officials per Group, taking into consideration the differing challenges faced by the respective DUs. It is intended to, among others, account for and make the rating and ranking of DUs reflective of the efforts given by the DUs concerned in contributing to the achievement of the Functional Group's accomplishment and the DBM-OSEC's total accomplishment, in general.
- 5.2.3 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.
- 5.2 The designated Raters/Senior Officials shall discuss the rating and ranking of the DUs under their group. Each of the Ranking and Rating Group shall designate at least one (1) technical staff to serve as Secretariat and record the proceedings of the meeting. The Secretariat shall prepare the Group's Minutes of Meeting for submission to the CPMS together with the accomplished Ranking and Rating Sheet of the Group.
- 5.3.1 Accomplished Rating and Rating Sheet of DUs and the Minutes of Meeting shall be simultaneously submitted to CPMS. Submitted PBB Group Rating and Ranking Sheet without the required Minutes of Meeting **shall not be accepted**.
- 5.4 Any changes made by the designated Raters/Senior officials 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 Ranking and Rating, shall be reported and be subject to the review and approval of the DBM Performance Management Team prior to the implementation of the results of the rating and ranking DUs.
- 5.5 The eligible DUs shall be forced **ranked**, as follows:

Ranking	Performance Category	PBB Grant as % of Monthly Basic Salary
Top 10%	Best Delivery Unit	65.00%
Next 25%	Better Delivery Unit	57.50 %
Next 65%	Good Delivery Unit	50.00%

Based on the IATF prescribed ranking distribution and the number of DUs (i.e., 36), the DBM-OSEC shall have the following number of entitled DUs per Performance Category:

Percentage Ranking Distribution	Performance Category	Computation	No. of DBM Units
Top 10%	Best Delivery Unit	$36 \times 0.10 = 3.6$	4
Next 25%	Better Delivery Unit	$36 \times 0.25 = 9.0$	9
Next 65%	Good Delivery Unit	$36 \times 0.65 = 23.4$	23
Total No. of DBM DUs			36

Related thereto, each of the PBB Groups identified in Annex C shall have the following number of entitled DUs per Performance Category, provided that all DBM-OSEC DUs are eligible:

	No. of DUs	Performance Category		
		Best	Better	Good
Group 1: Support	8	1	2	5
Group 2: Policy	6	1	1	4
Group 3: Operations	6	1	1	4
Group 4: Regional Operations	16	1	5	10
Grand Total		4	9	23

5.6 The resulting ranking of DUs shall be indicated in Form 1.0 (Report on Ranking of Offices/Delivery Units).

5.6.1 While individual ranking shall be the basis for merit increase, promotion, further training and/or disciplinary action, the same shall no longer be reflected and included in the DBM-OSEC Form 1.0 to be submitted to the AO 25 IATF.

6.0 PROHIBITED ACTS

6.1 If the DBM-OSEC, after due process by the oversight agency, has been determined to have committed 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 appropriate administrative case:

6.1.1 Misrepresentation in the submitted reports 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. 2017-1, and

6.1.2 Evenly distributing the PBB among employees in the DBM-OSEC, in violation of the policy of paying the PBB based on the ranking of DUs.

7.0 RESPONSIBILITIES OF DBM DUs/INDIVIDUALS CONCERNED

7.1 Delivery Units

- 7.1.1 At the end of the performance period, the DUs shall submit to their respective FGHS their accomplishments for the first and second semesters for purposes of performance evaluation, 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 are harmonized with the commitments stated in the GAA/Budget Execution Documents (BEDs) and in their respective OPCR, and their submitted accomplishment reports are consistent with the Budget Accountability Report (BAR) No. 1 reflected and posted on the DBM website.
- 7.1.3 Concerned DUs shall comply and coordinate with the CPMS and with the concerned LC/M/O per Annex B relative to the requirements specified under the activities in Annex "A" hereof.
- 7.1.4 DUs concerned shall be ready at all times for spot-checks that may be conducted by the AO 25 IATF to validate claims and certifications made by the DBM-OSEC.

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

- 7.2.1 Coordinate and follow-up with concerned DUs on the submission of the PBB requirements.
- 7.2.2 Ensure consistency and timely submission of documents and status report to the DBM PMT through CPMS two (2) weeks before the deadline set by IATF per Annex A.
- 7.2.3 Prepare the necessary justifications/explanations for non-compliance per the IATF evaluation results.

7.3 Functional Group Heads (FGHs)

- 7.3.1 The FGH shall inform the Directors of the DUs under their respective rating and ranking groups of the results of the forced-ranking.
- 7.3.2 The FGHs shall timely submit to the CPMS-Monitoring Division the accomplished Rating and forced-Ranking Report of eligible DUs under their supervision, with corresponding Minutes of Meeting, in time for the submission of DBM-OSEC's Forms A, A-1 and 1.0 to the AO 25 Secretariat on January 30, 2018.

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

7.4.1 The AS-HRDD shall prepare the preliminary Form 1.0 and the number/list of personnel therein based on the submissions duly signed by the designated Raters of DUs for submission to CPMS-MD in time for the submission to the AO 25 Secretariat.

7.4.2 The AS-HRDD shall provide the CPMS a complete list of DBM employees, with corresponding information of the individual's respective compliance with the CY 2017 PBB presented individual-level eligibility requirements.

7.5 Corporate Planning and Management Service (CPMS)

7.5.1 The CPMS shall coordinate and monitor the *DBM-OSEC's* compliance with PBB Forms A and A-1, based on the data provided by the B/S/Os in their respective Accomplishment Reports. These PBB Reports/Forms shall be submitted to the PMT for evaluation.

7.5.2 Submit the consolidated Forms A, A-1 and 1.0 to the DBM PMT for approval of the Secretary.

7.5.3 Forward the Rating and ranking of DUs received from the FGH to the AS-HRDD for the preparation of the preliminary Form 1.0 (Report on Ranking of Offices/Delivery Units) for submission to AO 25 IATF.

7.5.4 The CPMS shall assist in the development and implementation of an internal communications strategy on the Performance Based Incentive System (PBIS), as follows:

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 Act as Help Desk, through telephone no. 791-2000 local 3218, to respond to queries and comments on the DBM-OSEC's targets and accomplishments.

7.6 Performance Management Team (PMT)

7.6.1 The PMT shall 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 A.O. 25 Secretariat, subject to the rules on re-evaluation, as may be applicable.

7.6.2 The PMT shall lead efforts on the development and implementation of the internal communication strategy on PBIS.

- 7.6.3 The PMT shall act as Appeals Body and Final Arbiter for PBB matters.
- 7.6.4 The PMT shall oversee the implementation of these Guidelines and issue necessary rules, regulations, policies, and directives, consistent with the IATF guidelines.
- 7.6.5 The PMT or its authorized/identified representatives shall endorse and submit all authorized PBB-related documents to the IATF.

8.0 APPEALS

All appeals relative to the implementation of the DBM-OSEC's Grant of CY 2017 PBB shall be acted upon pursuant to Item 9.0 of Department Order No. 2016-12 on the DBM SPMS Guidelines, dated June 15, 2016.

9.0 CALENDAR OF PBB ACTIVITIES

The indicative timeline set by AO 25 IATF for Departments/Agencies compliance for the CY 2017 PBB implementation requirements is attached as "Annex A," subject to the issuance of subsequent PBB advisories by the PMT.

10.0 DELEGATION OF AUTHORITY

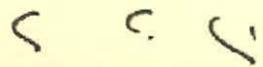
The DBM-PMT is hereby authorized to issue necessary rules, regulations, policies, and directives relative to the grant of the PBB which are consistent with the AO 25 IATF Guidelines.

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 CY 2017 PBB IMPLEMENTATION

Activity	Deadline of Submission to IATF
a. Submission to COA and DBM of 4 th Quarter BFARs (previous year) thru online URS	On or before January 31, 2017
b. Submission of CY 2017 APP non-CSE approved by the HOPE to GPPB-TSO	Within one month after the issuance of IATF MC 2017-1
c. Submission of CY 2016 Financial Reports to COA d. Submission of APCPI Self-Assessment Results for CY 2016 to GPPB-TSO	On or before March 31, 2017
e. Submission of CY 2016 Financial Reports to COA (<i>for Big Agencies</i>) f. Submission to COA and DBM of 1st Quarter BFARs (current year) thru online URS g. Submission of 2016 SALN	On or before April 30, 2017
h. Submission to COA and DBM of 2 nd Quarter BFARs (current year) thru online URS	On or before July 31, 2017
i. Validation of Transparency Seal Compliance j. Validation of Citizen's Charter Compliance k. Validation of FOI Manual l. Posting of Agency System of Ranking Delivery Units	October 1, 2017
m. Submission to COA and DBM of 3 rd Quarter BFARs (current year) thru online URS	On or before October 31, 2017
n. Submission of CY 2018 APP CSE as prescribed by the DBM-circular letter to DBM-PS	On or before November 30, 2017
o. Submission of Report on Ageing of Cash Advance Liquidation (with November 15, 2017 as cut-off) p. Submission of letter of explanation/justification if unable to post in PhilGEPS (for transactions above P1,000,000 with November 15, 2017 as cut-off)	On or before December 1, 2017
q. Posting of QMS Certification in Agency Transparency Seal r. Submission of report on compliance with 30% of the audit recommendations as shown in the Status of Implementation of Prior Year's Recommendations in the Annual Audit Report s. Submission of report on all improvements made by the agency to implement CSC Memorandum Circular No. 14 s. 2016	On or before December 31, 2017
t. Submission of physical accomplishments using Forms A, A1, and Form 1.0 (with December 31, 2017 as cut-off date) u. Validation of QMS Certification v. Validating of STO indicator as identified by DBM Secretary	On or before January 31, 2018

**SUMMARY OF ELIGIBILITY REQUIREMENTS,
CORRESPONDING DELIVERY UNITS (DUs) CONCERNED AND
LEAD/COORDINATING/MONITORING/OVERALL (L/C/M/O) UNITS**

Eligibility Requirements/Criteria	DUs/Individuals	L/C/M/O Units ¹
I. Transparency Seal 1. Maintain/update the DBM Transparency Seal (TS)	<ul style="list-style-type: none"> ▪ Office of the Chief Information Officer (OCIO) ▪ DUs concerned for data/report/s to be posted 	<ul style="list-style-type: none"> ▪ OCIO
II. Submission of Financial Reports & Matters 1. Submission of DBM-approved budget and corresponding targets for CY 2017	<ul style="list-style-type: none"> ▪ Financial Service (FS) – Budget Division (BD) ▪ OCIO (to upload in the DBM TS) 	<ul style="list-style-type: none"> ▪ FS
2. Submission to COA and DBM of BFARs thru online URS: - 2016 4 th Quarter - 2017 1 st Quarter - 2017 2 nd Quarter - 2017 3 rd Quarter	<ul style="list-style-type: none"> ▪ FS ▪ Regional Offices (ROs) ▪ Corporate Planning and Management Service (CPMS) 	<ul style="list-style-type: none"> ▪ FS [for Central Office (CO)] ▪ Local Government and Regional Coordination Bureau (LGRCB) (RO coordination, reminders, compilation of hard copies of transmittal letters)
3. Submission of CY 2016 Financial Reports to COA	<ul style="list-style-type: none"> ▪ FS (Consolidate CO & ROs submission) ▪ ROs (submit to oversight agency and furnish the L/C/M/O unit copies of the same) 	<ul style="list-style-type: none"> ▪ FS (for CO) ▪ LGRCB (RO coordination, reminders, compilation of hard copies of transmittal letters/reports)
4. Submission of Report on Ageing of Cash Advance Liquidation with November 15, 2017 as cut-off	<ul style="list-style-type: none"> ▪ FS (Consolidate CO submission) ▪ ROs (submit to oversight agency and furnish L/C/M/O copies of the same) 	<ul style="list-style-type: none"> ▪ FS-Accounting Division (for CO) ▪ LGRCB (RO coordination, reminders, compilation of hard copies of reports)
5. BUR Computation	<ul style="list-style-type: none"> ▪ FS (Consolidate for the DBM) ▪ DUs (obligate and disburse their respective allocations as proposed) ▪ ROs (obligate and disburse their respective allocations as proposed and submit the same to the FS, CPMS and L/C/M/O unit) ▪ FS- Cash Division (ensure payment of all vouchers & minimize unclaimed payments) 	<ul style="list-style-type: none"> ▪ FS (for CO) ▪ LGRCB (RO coordination & reminders)

Eligibility Requirements/Criteria	DUs/Individuals	L/C/M/O Units ¹
6. Submission of report on compliance with 30% of the audit recommendations as shown in the Status of Implementation of Prior Year's Recommendations in the Annual Audit Report (AAR)	<ul style="list-style-type: none"> ▪ FS ▪ DU/s concerned ▪ ROs 	<ul style="list-style-type: none"> ▪ FS ▪ LGRCB (RO coordination)
I II. APP-CSE, APP-non-CSE & APCPI Results including PhilGEPS Posting 1. Maintain/update the posting of all Invitations to Bids and awarded contracts in the PhilGEPS pursuant to RA 9184 for transactions from Nov. 16, 2016 to Nov. 15, 2017 2. Submission of CY 2017 APP-non CSE approved by the Head of Procuring Entity (HOPE) to GPPB-TSO 3. Submission of Letter of explanation/justification if unable to post in PhilGEPS (for transactions above P1M with November 15, 2017 as cut-off) 4. Submission of CY 2018 APP-CSE as prescribed by DBM-Circular Letter to DBM-PS 5. Submission of Agency Procurement Compliance and Performance Indicators (APCPI) Self-Assessment Results for CY 2016 to GPPB-TSO	<ul style="list-style-type: none"> ▪ AS-Procurement Management Division (PMD) [Bids and Award Committee (BAC) Secretariat] (for CO) ▪ BAC of ROs ▪ BAC Secretariat ▪ ROs ▪ OCIO (upload in the DBM TS) ▪ AS-PMD (BAC Secretariat) (for CO) ▪ ROs ▪ AS-General Service Division (GSD) (for CO) ▪ DU/s concerned ▪ ROs ▪ AS-PMD (Prepare and submit the document to GPPB-TSO) 	<ul style="list-style-type: none"> ▪ AS-PMD (for CO) ▪ LGRCB (RO coordination, reminder and compilation of hard copies of reports) ▪ AS-PMD (for CO) ▪ LGRCB (RO coordination, reminder, compilation of hard copies of transmittal letters/reports) ▪ AS-PMD (BAC Secretariat) (for CO) ▪ LGRCB (RO coordination, reminder, compilation of transmittal letters/reports, preparation of the consolidated justifications/ explanations of ROs concerned) ▪ AS- GSD (for CO) ▪ LGRCB (RO coordination, reminder and compilation of hard copies of transmittal letter) ▪ AS-PMD

Eligibility Requirements/Criteria	DUs/Individuals	L/C/M/O Units ¹
IV. Statement of Assets, Liabilities and Net Worth (SALN) 1. Submission of employees 2016 SALN	<ul style="list-style-type: none"> ▪ AS-Human Resource Management Division (HRMD) ▪ ROs 	<ul style="list-style-type: none"> ▪ AS-HRMD ▪ LGRCB (RO coordination and other related concerns)
V. System of Rating and Ranking DUs 1. Posting of agency system of ranking delivery units	<ul style="list-style-type: none"> ▪ CPMS ▪ OCIO (to upload document in the DBM TS) 	<ul style="list-style-type: none"> ▪ CPMS
VI. Citizen's Charter 1. Maintain/update the Citizen's Charter or its equivalent, reflecting the DBM's enhanced service standards for all its front line services to citizens, businesses and government agencies 2. Submission of report on all improvements made by the agency to implement CSC Memorandum Circular No. 14, s. 2016	<ul style="list-style-type: none"> ▪ CPMS ▪ OCIO (to upload document in the DBM TS) ▪ CPMS – Management Division ▪ OCIO – to upload to DBM Transparency Seal 	<ul style="list-style-type: none"> ▪ CPMS ▪ CPMS
VII. Freedom of Information (FOI) Manual 1. Development of the DBM FOI Manual per Executive Order No. 2 s. 2016, and uploading of the same in the DBM TS	<ul style="list-style-type: none"> ▪ BITS (develop the FOI Manual in coordination with offices/units concerned) ▪ OCIO (to upload the document in the DBM TS) 	<ul style="list-style-type: none"> ▪ CPMS
VIII QMS International Organization for Standardization (ISO) Certification	<ul style="list-style-type: none"> ▪ CPMS ▪ OCIO (to upload the document in the DBM TS) 	<ul style="list-style-type: none"> ▪ CPMS
IX. Physical Accomplishments – Forms A and A1 1. Major Final Outputs (MFOs) Accomplishments 2. Support To Operations (STO) Accomplishments	<ul style="list-style-type: none"> ▪ CPMS (evaluation and consolidation) ▪ DUs concerned (timely accomplishment submission and provision of justifications for unmet targets) ▪ CPMS (evaluation and consolidation) ▪ DUs concerned (timely accomplishment submission and provision of justifications for unmet targets) 	<ul style="list-style-type: none"> ▪ CPMS ▪ CPMS

Eligibility Requirements/Criteria	DUs/Individuals	L/C/M/O Units ¹
3. General Administration and Support Services (GASS) Accomplishments	<ul style="list-style-type: none"> ▪ CPMS (evaluation and consolidation) ▪ DUs concerned (timely accomplishment submission and provision of justifications for unmet targets) 	<ul style="list-style-type: none"> ▪ CPMS
X. Human Resource Matters and the Ranking of Individuals (IATF Form 1.0)	<ul style="list-style-type: none"> ▪ AS-Human Resource Development Division (HRDD) (submission of Form 1.0 simultaneous with the submission of Forms A and A-1) ▪ Individual/s concerned ▪ DUs concerned 	<ul style="list-style-type: none"> ▪ AS HRDD
XI. Feedback 1. Disseminate performance targets and accomplishments	<ul style="list-style-type: none"> ▪ PMT and its Secretariat ▪ Offices of the Functional Group Heads (FGH) 	<ul style="list-style-type: none"> ▪ PMT and its Secretariat ▪ CPMS ▪ Offices of the FGH
2. Help Desk	<ul style="list-style-type: none"> ▪ AS-HRDD ▪ CPMS 	<ul style="list-style-type: none"> ▪ AS-HRDD ▪ CPMS
3. Complaints Mechanism	<ul style="list-style-type: none"> ▪ Performance Management Team (PMT) ▪ PMT Secretariat 	<ul style="list-style-type: none"> ▪ CPMS ▪ AS-HRDD
¹ Refers to Units/Divisions in charge of coordinating, gathering, consolidating documents for submission to CPMS and providing necessary justifications as may be required by the AO 25 Inter-Agency Task Force (IATF)		

RATING AND RANKING GROUP OF DELIVERY UNITS (DUs) FOR CY 2017 GRANT OF PBB

Groups	No. of DUs	DUs	Rater/s
Group 1: Support	8	<ul style="list-style-type: none"> ▪ AS ▪ BITS ▪ CPMS ▪ DLO ▪ FS ▪ IAS ▪ ICTSS ▪ LS 	<i>Lead Rater:</i> <ul style="list-style-type: none"> ▪ USec. Agnes Joyce G. Bailen <i>Co-Raters:</i> <ul style="list-style-type: none"> ▪ USec. Lilia C. Guillermo ▪ USec. Gertrudo A. De Leon ▪ ASec. Amenah F. Pangandaman
Group 2: Policy	6	<ul style="list-style-type: none"> ▪ BTB ▪ FPRB ▪ OPCCB ▪ PMEB ▪ SPIB ▪ OSEC 	<i>Lead Rater:</i> <ul style="list-style-type: none"> ▪ USec. Laura B. Pascua <i>Co-Raters:</i> <ul style="list-style-type: none"> ▪ USec. Tina Rose Marie L. Canda ▪ ASec. Amelita D. Castillo ▪ ASec. Myrna S. Chua ▪ Asec. Amenah F. Pangandaman
Group 3: Operations	6	<ul style="list-style-type: none"> ▪ BMBs A to E ▪ LGRCB 	<i>Lead Rater</i> <ul style="list-style-type: none"> ▪ USec. Tina Rose Marie L. Canda <i>Co-Raters</i> <ul style="list-style-type: none"> ▪ USec. Luz M. Cantor
Group 4: Regional Operations	16	<ul style="list-style-type: none"> ▪ RO-CAR ▪ RO-NCR ▪ ROs I - III ▪ RO IV-A ▪ RO IV-B ▪ ROs V- XIII 	<i>Lead Rater</i> <ul style="list-style-type: none"> ▪ USec. Luz. M. Cantor <i>Co-Rater</i> <ul style="list-style-type: none"> ▪ USec. Tina Rose Marie L. Canda