INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS
(Administrative Order No. 25 s. 2011)

MEMORANDUM CIRCULAR NO. 2020-1

June 02, 2020

TO : **All Heads of Departments, Bureaus, Offices and Other Agencies of the National Government, including Constitutional Commissions, Congress, the Judiciary, Office of the Ombudsman, State Universities and Colleges, Government-Owned or-Controlled Corporations, Local Water Districts, and Local Government Units**

SUBJECT : Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year (FY) 2020 under Executive Order No. 80, s. 2012 and Executive Order No. 201, s. 2016

1.0 PURPOSE

This Circular is being issued to prescribe the criteria and conditions on the grant of the PBB for FY 2020 performance to be given in FY 2021. Essentially, the same criteria and conditions for FY 2019 PBB are being issued for FY 2020 PBB to support the Administration's focus on the streamlining of government services, with the implementation of Republic Act (RA) No. 11032 known as the *Ease of Doing Business (EODB) and Efficient Government Delivery Service Act of 2018*, in promoting integrity, transparency, accountability, proper management of public affairs and public property, as well as to establish effective practices, aimed at the efficient turnaround of the delivery of government services and the prevention of graft and corruption in government.

2.0 COVERAGE

This Circular covers all departments, bureaus, offices, and other agencies of the National Government, including Constitutional Commissions, Other Executive Offices (OEOs), Congress, the Judiciary, Office of the Ombudsman, State Universities and Colleges (SUCs), Government-Owned or-Controlled Corporations (GOCCs), Local Water Districts (LWDs), and Local Government Units (LGUs).

2.1 The implementation of this circular shall be done in close coordination with the following agencies:

a. Department of Budget and Management (DBM) for the Departments and attached agencies;
b. Office of the President-Office of the Executive Secretary (OP-OES), Office of the Cabinet Secretary (OP-OCS), and DBM for the Other Executive Offices (OEOs), including the OP-attached agencies and GOCCs covered by DBM;
c. Commission on Higher Education (CHED) for the SUCs;
d. Governance Commission for GOCCs (GCG) for GOCCs covered by RA No. 10149;
e. Local Water Utilities Administration (LWUA) for LWDs;
f. Department of the Interior and Local Government (DILG) for LGUs; and
g. Anti-Red Tape Authority for agencies with targets under Program NEHEMIA.

2.2 The personnel of departments/agencies holding regular, contractual, and casual positions are covered by this Circular. Excluded from the coverage herein are individuals engaged without employer-employee relationship and funded from non-Personnel Services (PS) budget.

3.0 ELIGIBILITY CRITERIA

Each agency must satisfy the following conditions to be eligible for the grant of PBB. See *Annex 1: Master List of Departments/Agencies and Prescribed Delivery Units:*

3.1 **Good Governance Conditions (GGCs).** Satisfy 100% of GGCs for FY 2020 as provided in Section 4.0. For FY 2020, the extent of validation of the achievement of a number of GGCs that agencies should meet shall depend on their historical compliance and performance in previous PBB cycles.

3.2 **Performance Targets of Agencies.** Achieve each one of the Physical Targets, Support to Operations (STO), and General Administration and Support Services (GASS) requirements for FY 2020. *The details of the requirements are indicated in Section 5.0 hereof.*

a. For National Government Agencies (NGAs) and GOCCs covered by DBM, achieve (i) streamlining requirements of government services, (ii) higher citizen/client satisfaction compared to baseline data, and (iii) fiscal discipline;

b. For NGAs with commitments to Program NEHEMIA, achieve (i) the enrolled streamlining targets of at least 52% reduction of processes and required document in 52 days within the 52-week period of the program; (ii) higher citizen/client satisfaction compared to baseline data, and (iii) fiscal discipline;

c. For SUCs, achieve each one of the Congress-approved performance targets under the FY 2020 General Appropriations Act (GAA), and the FY 2020 STO and GASS requirements;

d. For GOCCs covered by RA No. 10149, achieve the targets reflected in their approved FY 2020 Performance Scorecard and eligibility requirements specified in a separate guideline to be issued by GCG;

e. For LWDs, achieve each one of the physical targets, STO and GASS indicators as identified by LWUA in a Joint Memorandum Circular to be issued by LWUA and DBM; and

f. For LGUs, achieve the performance targets based on the Guidelines on the Grant of the PBB for LGUs to be issued by the DILG and DBM.

3.3 **Performance Rating System to be Used for Personnel in the First and Second Levels, and those occupying Career Executive Service (CES) positions.** The rating of the performance of the first and second level officials and employees of departments/agencies in NGAs, GOCCs, and LGUs, including managerial or director positions, but are not Presidential appointees, shall be consistent with the CSC-approved Strategic Performance Management System (SPMS). For the CES officers and incumbents to CES positions, the rating of their performance shall be based on the guidelines issued by the CES Board (CESB).

4.0 GOOD GOVERNANCE CONDITIONS (GGCs)

4.1 The following GGCs are set based on performance drivers of the Results-Based Performance Management System (RBPMS) and the priorities of the Duterte Administration for 1) heightened transparency; 2) stronger public accountability, and 3) more inclusive and people-centered public services:

a. **Maintain/Update the agency Transparency Seal (TS)** under Section 106 of the General Provisions of the FY 2020 General Appropriations Act (GAA). The TS page should be accessible by clicking the TS logo on the home page. Status of compliance shall be posted on both the DAP website through https://www.dap.edu.ph/rbpms/ and DBM website at www.dbm.gov.ph/index.php/news-update/transparency-seal compliance on or before **October 1, 2020**.

Departments/agencies found **consistently compliant** with the TS for the **last five (5) years** shall not be validated for this PBB cycle, but shall be subject to random evaluation if compliance is continually being observed. Departments/agencies under this category are still encouraged to continue the good practice in fulfilling this requirement.

See *Annex 2: Guideline on Transparency Seal* for full details of requirements.

b. **Update the PhilGEPS posting of all invitations to bids and awarded contracts** pursuant to the Government Procurement Reform Act (RA No. 9184) for transactions above Php 1 million from January 1 to December 31, 2020, including Early Procurement of FY 2021 Non – Common Use Supplies and Equipment (Non–CSE) items on or before **January 29, 2021**. The agencies should track the status of their compliance through the **PhilGEPS Microsite**: https://data.philgeps.gov.ph/pbbweb/pbbwebapp.aspx. See *Annex 6: Guideline on PhilGEPS Posting.*

c. **Set-up Most Current and Updated Citizen's or Service Charter,** reflecting the agency's improved and streamlined/re-engineered system and procedure for all its government services to citizens, businesses, and government agencies, pursuant to Section 6 of **RA No. 11032** and the President's directive to reduce the processing time of all public transactions with government and ensure accessible and convenient delivery of services to the public.

Departments/agencies shall submit their respective Certificates of Compliance (CoC) to the Anti-Red Tape Authority (ARTA) at compliance@arta.gov.ph and copy furnish the AO25 Secretariat at ao25secretariat@dap.edu.ph on or before **December 04, 2020,**.

The CoC based on the format prescribed by the ARTA as stated under the *ARTA Memorandum Circular No. 2019-002 series of 2019*, shall be the basis of the validation. The Authority shall conduct a validation of the Citizen's or Service Charter starting in January 2021. See *MCs No. 2019-002 and No. 2019-002-A: Guidelines on the Implementation of the Citizen's Charter in compliance with RA 11032* for full details of requirements.

5.0 FY 2020 PHYSICAL TARGETS

5.1 Departments/agencies shall satisfy the following FY 2020 performance targets supporting the Administration's focus on the streamlining of government services and seamless public service delivery:

1. Achievement of the streamlining and process improvement of the agency's critical services including digitization, development of online systems, and/or contactless transactions, based on the provisions stated in Section 5.2.

2. Departments/agencies with Program NEHEMIA commitments as stated in Section 5.3, may report their FY 2020 accomplishments in addition to process improvements of other critical services.

5.2 **Streamlining and Process Improvement (SPI) of the agency's Critical Services** covering all government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions as declared in the agency's Citizen's/Service Charter.

1. In the government's efforts to further streamline processes and fully maximize our digital capabilities, as well as our Information and Communications Technology (ICT) infrastructures and other resources, departments/agencies should undertake digitization, develop online systems, and/or transform their critical services from manual to contactless transactions, for faster and more efficient public service delivery. Digitization initiatives may vary depending on the particular requirements of the critical services. *i.e. online applications, payments, permitting, learning, and development platforms.*

2. To promote the periodic measurement of agency performance in delivering said services, agencies shall determine and report the following streamlining criteria and improvements from reported accomplishments in FY 2019 using *Annex 3A Form A-Department/Agency Performance Report.*

    a. **Number of Steps.** The total number of steps that a particular citizen/client will undergo to ensure the receipt of the complete service from the government. Departments/agencies shall report in detail the steps necessary to complete the service including front-end and back-end.

    b. **Turnaround Time (TaT).** The sum of the waiting time and processing time or the total amount of time taken to complete/deliver a service. TAT starts from the moment the transacting client enters the queue or fills out the form, and the waiting time incurred until the service has been completed/delivered.

    c. **Number of Signatures.** The total number of signatures and initials from the employees and officers of the department/agency necessary to complete each service.

    d. **Number of Required Documents.** The total number of required documents that must be provided by the transacting client to the government.

    e. **Transaction Costs.** The costs incurred by the transacting client in the course of availing of government service. These costs are categorized as follows:

        e.1 **Primary Transaction Costs/Fees.** These are fees declared in the agency's Citizen's/Service Charter to be paid to the department/agency by the transacting

client for availing a government service. *e.g. application fees, registration fees, and permit fees.*

e.2 **Other Transaction Costs.** Other costs or fees incurred by the transacting client to obtain supporting information from another agency to secure the necessary primary information. These costs also include the other expenses shouldered by the transacting client until the service has been completed by the government. *i.e. birth certificates to secure passports, barangay clearance to secure a business permit, required photos, printing costs, photocopying costs, transportation expenses of the transacting client, etc.*

f. **Substantive Compliance Costs.** Other incremental costs are other than administrative costs incurred by the transacting public in the course of complying with a regulation. These costs can include implementation costs, direct labor costs, overhead costs, equipment costs, material costs, and external service costs. *e.g. purchase of early warning devices for vehicle owners, expenses in the installation of accelerograph for building with 10 floors and up, costs in the maintenance of waste disposal system for establishments.*

Departments/agencies shall report the baseline information of each of the abovementioned streamlining criteria based on the agency's Citizen's/Service Charter updated before FY 2020. They shall set their FY 2020 Streamlining Improvement Target for each streamlining criterion for every declared service including the following specific targets:

1. Reduction in the number of signatures to not more than three (3);

2. Simplification of application forms or reduction in the number of documentary requirements; and

3. Reduction in the turnaround time and completion of the transaction within the maximum period of three (3), seven (7), and twenty (20) working days based on the classification of transactions under the EODB law, unless otherwise indicated under special laws.

Departments/agencies shall submit supporting documents, such as flow charts, legal bases, and additional documents to show actual improvements, and as proof of streamlining accomplishments. In the event that the department/agency is unable to achieve the targets they set in this section, they shall

provide justifications, explanations, and supporting documents using the remarks. The acceptance of explanation shall be subject to the review and recommendation of the validating agency.

5.3 **Compliance of agencies under priority sectors concerned with Program NEHEMIA commitments** to Rule III, Section 3 of the Implementing Rules and Regulations of Republic Act (RA) No. 11032 and AO No. 23 s. 2020 or Eliminating Overregulation to Promote Efficiency of Government Processes.

a. Departments/agencies with commitments to Program NEHEMIA should submit their FY 2020 accomplishments to ARTA, and may also report these to the AO25 IATF in addition to the FY 2020 streamlining and process improvements of other critical services.

b. Program NEHEMIA or the National Effort for the Harmonization of Efficient Measures of Inter-related Agencies is a sectoral-based streamlining effort that is directed towards speeding up and realizing the 10-point Socio-Economic Agenda of the administration. It targets to reduce the time, cost, requirements, and procedures in sectors of economic and social significance by **52% within 52 weeks**.

The program of reform for each of the sectors shall be spearheaded by the Heads of the Agencies whose respective departments/agencies exercise jurisdiction over most, if not all, of the sector. Below are the identified **priority sectors**[1]:

1. Telecommunication Tower,
2. Socialized Housing,
3. Logistics,
4. Food and Pharmaceuticals, and
5. Power

The ARTA shall monitor compliance of departments/agencies under the identified priority sectors. Report on the status of FY 2020 compliance and accomplishments of the agencies enrolled in this program shall be forwarded to the AO25 IATF.

5.4 **Citizen/Client Satisfaction Survey.** To aid departments/agencies in determining the effectiveness of streamlining and process improvements, and institutionalizing Service Quality Standards (SQS) in critical services in the government, departments/agencies should embed feedback mechanisms and citizen/client satisfaction measurement in their process improvement efforts. Using the FY 2019 and 2020 improvement action plans that the agencies reported during the FY 2018 PBB discussions, for each service, departments/agencies shall report the results of each action plan and the FY 2020 Citizen/Client Satisfaction Survey (CCSS) for each service.

[1] *See Annex 9 – List of Departments/Agencies under Program NEHEMIA Priority Sectors.*

a. To further incentivize excellence in providing quality and efficient public service among government offices, departments/agencies shall report **one (1) agency best practice in service quality or productivity** conducted in FY 2020 including its results. The showcase of best practices would not only recognize efforts of agencies in improving their services but would also contribute in assisting other agencies to develop similar initiatives that could be implemented, replicated, and/or enhanced.

b. Departments/agencies shall prepare and submit a report following information found in *Annex 4: Guide for Conducting Citizen/Client Satisfaction Surveys*:

GOCCs covered by RA No. 10149 will report the results of client/customer satisfaction surveys based on the standard methodology and corresponding questionnaire prescribed by the GCG.

5.5 **Support to Operations (STO) Targets**

a. **Initial Certification/Recertification of the agency's Quality Management System (QMS) covering at least one (1) critical frontline service or core process as mandated under its existing pertinent laws.**

For the ISO 9001:2015 QMS certification, it must be issued by any of the certification bodies (CBs) accredited by the International Accreditation Forum (IAF) members. Preferably, the CB is accredited by the Philippine Accreditation Bureau under the Department of Trade and Industry, which is an IAF member and the recognized national accreditation body in the Philippines pursuant to Executive Order No. 802, s. 2009.

The ISO 9001:2015 certification(s)/recertification(s) must be valid as of December 31, 2020, and must be posted in the agency TS webpage not later than **December 31, 2020**.

ISO 9001:2015 QMS-equivalent certifications/attestations granted by similar internationally recognized bodies promoting Total Quality Management (TQM) shall be considered, e.g., Philippine Quality Award, ISO/IEC 17025 or 17020 Accreditation, Accreditation Canada International's Qmentum International Gold Award, and Accrediting Agency of Chartered Colleges and Universities in the Philippines, Inc. (AACCUP)'s Institutional Accreditation.

For frontline agencies, it is expected that the core agency process to be covered by the QMS pertains to an agency process most demanded by the citizens and businesses, and targeted for improvements under Sections 5.2 and 5.3 above.

b. **Standardized Agency-wide Processes for Frontline Agencies.** Frontline agencies shall endeavor that their frontline processes are standardized, including those implemented at the Regional, Satellite, and Extension Offices. Beginning FY 2020, departments/agencies shall secure agency-wide QMS certifications for these processes, and continue these efforts aimed at achieving this target by the end of FY 2021.

The AO25 IATF shall conduct the validation of the implementation of a standardized agency-wide process/es.

5.6 **GASS Targets.** The common GASS targets shall include the following:

a. **Improved Budget Utilization Rate (BUR) from the previous year's level of accomplishment, which shall consist of:**

1. **Achievement of at least 90% Obligations BUR.** Obligations BUR is computed as obligation rates for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) of all programs, activities, and projects funded in FY 2020 from all appropriation sources, including those released under the 2020 General Appropriations Act as the Allotment Order policy, net of savings from procurement and implementation of cost-cutting measures.

Hence:

$$\text{Obligations BUR} = \frac{\text{Obligations for MOOE and CO for 2020 appropriations}}{\text{Allotments for MOOE and CO for 2020 appropriations}}$$

Net of savings in allotment from efficiency and cost-cutting measures

2. **Achievement of at least 85% Disbursement BUR. Disbursement BUR is measured as** the ratio of total disbursements (cash and non-cash, excluding PS) to total obligations for MOOE and CO from FY 2019 appropriations, net of goods and services obligated by December 31, 2019, but executed and paid only in 2020. The objective is to measure the disbursements and obligations for MOOE and CO for the 2020 appropriations.

Hence:

$$\text{Disbursement BUR} = \frac{\text{Disbursements for MOOE and CO for 2020 appropriations}}{\text{Obligations for MOOE and CO for 2020 appropriations}}$$

3. **BUR for GOCCs is computed as follows:**

I. **Obligations BUR** = Total Obligations / DBM Approved Corporate Operating Budget (both net of PS)

II. **Disbursement BUR** = Total Actual Disbursement/ Total Actual obligations (both net of PS)

4. **GOCCs with fund transfers** either for operating or program subsidies or both, shall also achieve and report the same accomplishment rates for Obligations and Disbursements BUR of NGAs as stated in Sections 5.6a1 and 5.6a2.

5. **BUR for SUCs is computed as follows:**

I. **Obligations and Disbursements BUR** is the same as those for departments/agencies.

II. Since all earmarked income of the SUCs (e.g. trust funds, internally generated income, and revolving funds) should benefit and improve the SUCs operations, its Obligations and Disbursements utilization rates will also be reported following the formats in *Annexes 5, 5.1, and 5.2: FY 2020 GAA Accomplishments, BUR Form for SUCs, and All Earmarked Income.*

b. **Sustained Compliance with Audit Findings.** Fully implement 30% of the prior years' audit recommendations as shown in the Report on Status of Implementation of Prior Years' Recommendations. These recommendations will exclude the Property, Plant, and Equipment (PPE)-related items of the Annual Audit Report (AAR). Audit findings closed since FY 2018 should also not recur. The objective is to improve the agency's internal control processes, enhance operational effectiveness, and eliminate, resolve and remedy most, if not all, of the agency audit findings, by the end of 2021.

c. **Submission of Annual Procurement Plan (APP-non CSE)** approved by the Head of Procuring Entity (HOPE) to the Government Procurement Policy Board (GPPB) in the format prescribed under GPPB Circular No. 07-2015.

FY 2020 APP-non CSE should have been submitted to the GPPB-TSO until **March 31, 2020,** but only for purposes of PBB compliance. The same should be posted on the agency TS page no later than one month after the issuance of this Circular.

The APP non-CSE shall be submitted through electronic mail (email) at app@gppb.gov.ph with the subject line: "APP for CY <Year> of <Complete Name of Head Office / Agency><Regions _ to _, if applicable>".

Agency representatives should be able to receive an auto-acknowledgment from the GPPB-TSO as proof of submission. In case of non-receipt of the auto-acknowledgment within **one (1) hour** after submission, the APP-Non CSE shall be re-submitted to

the same electronic mail address. If no acknowledgment is still received, the representatives shall call the Performance Monitoring Division of the GPPB-TSO at (02) 7900 - 67 - 41 to 44 to confirm whether the submission was received and if so, request for the acknowledgment of receipt of the submitted APP-Non CSE.

d. **Submission of FY 2021 Annual Procurement Plan-Common-Use Supplies and Equipment (FY 2021 APP-CSE)** to the DBM-Procurement Service on or before **December 15, 2020,** in the prescribed format by DBM-PS. The same should be posted on the agency TS webpage not later than **December 15, 2020**.

e. **Undertaking of Early Procurement for at least 50% of the total value of eligible Procurement Projects[2] included in the proposed budget of the department/agency in the NEP.** Departments/Agencies including GOCCs with budgetary support from the national government as provided in the National Expenditure Program (NEP) shall conduct the undertaking of Early Procurement Activities (EPA) for at least **50% of the total value of eligible Procurement Projects** as outlined in its Indicative FY 2021 APP-Non CSE consistent with the FY 2021 NEP.

Procurement Projects which will use the following modalities are **excluded** in determining the total value pursuant to Item 1.4 of GPPB Circular No. 06-2019:

1. Repeat Order
2. Shopping
3. Negotiated Procurement- Emergency Cases
4. Negotiated Procurement- Take-Over of Contracts
5. Negotiated Procurement - Small Value Procurement

The Approved Contract and Notice to Proceed for procurement projects successfully undertaken under EPA shall be posted in the PhilGEPS shall be posted **within thirty (30) days after the approval of the GAA**.

Agencies NOT receiving any budgetary support from the national government under the GAA are excluded from this PBB requirement.

Heads of the Procuring Entity (HOPE) of covered departments/agencies shall submit to the GPPB a **Certification under Oath** (see Annex 10 for the format) on the compliance with EPA requirement **within one (1) month after the approval of the GAA** to the email address earlyprocurement@gppb.gov.ph.

Agency representatives should be able to receive an auto-acknowledgment from the GPPB-TSO as proof of submission. In case of non-receipt of the auto-acknowledgment within **one (1)**

[2] *As defined in Item 1.3 of GPPB Circular No. 06-2019, a* ***Procurement Project*** *shall refer to a specific or identified procurement covering goods, infrastructure project or consulting services, which shall be described, detailed, and scheduled in the Project Procurement Management Plan.*

hour after submission, the Certification under Oath shall be re-submitted to the same electronic mail address. If no acknowledgment is still received, the representatives shall call the Performance Monitoring Division of the GPPB-TSO at (02) 7900 - 67 - 41 to 44 to confirm whether the submission was received and if so, request for the acknowledgment of receipt of the submitted Certification.

Agencies covered by the EPA requirement but were NOT able to comply may submit their respective justifications to the AO25 IATF within the compliance validation period. Justifications are subjected to review in accordance with Section 5.6 (b) of this Circular.

The Indicative FY 2021 APP-Non CSE consistent with the FY 2021 NEP, which is the basis for the EPA should be **posted** on the agency TS page not later than **September 30, 2020**. Do not submit the indicative APP to the GPPB. Indicative APP submissions will not be accepted and will not be assessed as PBB compliance.

f. **Submission of results of FY 2019 Agency Procurement Compliance and Performance Indicators (APCPI) System**, per GPPB Resolution No. 39-2017, complete with the following forms: (1) APCPI - Self-Assessment Form; (2) APCPI - Consolidated Procurement Monitoring Report; (3) APCPI - Procurement Capacity Development Action Plan; and the Questionnaire on or before **June 30, 2020**[3]. The APCPI Tool may be downloaded from the GPPB website using this link: http://www.gppb.gov.ph/apcpi/apcpi.html.

The APCPI results must be submitted to the GPPB-TSO through email address apcpi@gppb.gov.ph indicating "2019 APCPI Initial Results of <Complete Name of Head Office / Agency> for PBB" in the subject line.

Agency representatives should be able to receive an auto-acknowledgment from the GPPB-TSO as proof of submission. In case of non-receipt of the auto-acknowledgment within **one (1) hour** after submission, the APCPI Results shall be re-submitted to the same electronic mail address. If no acknowledgment is still received, the representatives shall call the Performance Monitoring Division of the GPPB-TSO at (02) 7900 - 67 - 41 to 44 to confirm whether the submission was received and if so, request for the acknowledgment of receipt of the submitted APCPI results.

5.7 **Other cross-cutting requirements.** The AO25 IATF sets the following cross-cutting requirements:

a. **Establishment and Conduct of Agency Review and Compliance of SALN.** Under Section 10 of the Code of Conduct and Ethical Standards for Public Officials and Employees (RA No. 6713) and CSC Resolutions Nos. 13000455 and 1500088, each

[3] *As per GPPB Resolution No. 04-2020.*

department/agency shall establish a SALN Review and Compliance Committee to determine whether said statements have been submitted on time, are complete, and are in proper form.

Agency heads should ensure that officials and employees covered by RA No. 6713 submitted their 2019 SALN to the respective SALN repository agencies, as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015. The Agency Review and Compliance Procedure of SALN used by the department's/agency's SALN Review and Compliance Committee should be cascaded to all employees. The scanned copy of the same shall be uploaded in the agency TS webpage not later than **October 1, 2020**. *See also Section 6.11, 6.14 and 10.3 on SALN requirements.*

Should the departments/agencies decide to retain the previously posted Guidelines, they should indicate or take note in the website that **no changes** have been made from the previous year's Establishment and Conduct of Agency Review and Compliance of SALN.

b. **Comply with the Freedom of Information (FOI) Program** pursuant to Executive Order No. 2, s. 2016, based on the enhanced requirements of the Presidential Communications Operations Office (PCOO). Agencies should comply with the following FOI requirements within the set deadline:

1. The Updated People's FOI manual (including the new designated list of FOI Receiving Office/rs and its contact details, if any) duly signed by the Head of the Agency and uploaded in the agency TS page on or before **January 29, 2021**;

2. The FOI Reports (Agency Information Inventory, 2020 FOI Registry, and 2020 FOI Summary Report) uploaded in the agency TS page on or before **January 29, 2021**;

3. A screenshot of the agency website's home page containing a visible and functional FOI logo linked to the electronic FOI portal (www.foi.gov.ph) submitted through email: foi.pco@gmail.com on or before **January 29, 2021**; and,

4. Modified One-page FOI Manual (including FOI Receiving Office/rs and its contact details and the step-by-step procedure of FOI Request in standard paper-based and electronic format) uploaded in the agency TS page on or before **January 29, 2021.** For reference, please see FOI MC No. 1, s. 2020 at www.foi.gov.ph/resources.

Agencies should submit the accomplished FOI Reports strictly in **one (1) Excel format (.xls)** based on templates provided in this link: www.bit.ly/2018FOIReports. Submissions not compliant to the file format and templates will not be considered. All agencies including those already on board the eFOI portal, are required to send the soft copy submissions to foi.pco@gmail.com. Policy

issuances and memoranda can be accessed in this link: www.foi.gov.ph/resources.

In case a department/agency is not able to meet any of the above performance targets, the Department Secretary/Head of Agency should submit the justifications/explanations and supporting documents to warrant reconsideration. For validation purposes, justifiable reasons are factors that are considered outside the control of the agency. Acceptance of justifications/explanations shall be subject to the recommendation of validating agencies.

5.8 To reinforce fairness in the assessment of the performance of each delivery unit under operations with those under support services, departments/agencies should also declare non-frontline services provided to units/employees performed by the latter delivery units. Doing so will strengthen the accountability of every delivery unit in streamlining and improving their processes and services to citizens/clients, internal units/employees, and to the Composite Team from AO25 IATF agencies. Likewise, it will also provide performance data to support the equitable ranking of each delivery unit. Departments/agencies shall also report applicable baseline information enumerated in Section 5.1 and 5.2.

6.0 ELIGIBILITY OF INDIVIDUALS

6.7 Department Secretaries, Heads of OEOs, Chairpersons, and Commissioners of Constitutional Offices, Heads of Attached Agencies, Presidents of SUCs, and non-ex officio Heads of GOCCs covered by DBM are eligible only if their respective departments/agencies/institutions are eligible. If eligible, their maximum PBB rate for FY 2020 shall be equivalent to 65% of their monthly basic salary as of December 31, 2020. They should not be included in the Form 1.0 – Report on Ranking of Delivery Units.

6.8 Non-ex officio Board Members of GOCCs covered by DBM may be eligible to a rate equivalent to 65% of the monthly basic salary of the highest corporate official of the GOCC concerned subject to the following conditions:

a. The GOCC has qualified for the grant of the FY 2020 PBB;
b. The Board Member has 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary;
c. The Board Member has nine (9) months aggregate service in the position; and
d. The GOCC has submitted the appropriate annual Board-approved Corporate Operating Budget (COB) to DBM following the Corporate Budget Circular No. 22 dated December 1, 2016.

6.9 Employees belonging to the First, Second, and Third Levels should receive a rating of at least "Satisfactory" based on the agency's CSC-

approved Strategic Performance Management System (SPMS) or the requirement prescribed by the CESB.

6.10 Personnel in 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. The payment of the PBB shall come from the mother agency.

6.11 Personnel who transferred from one government agency to another agency shall be rated and ranked by the agency where he/she served the longest. If equal months were served for each agency, he/she will be included in the recipient agency.

6.12 Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB shall be rated by the agency where he/she served the longest; the official/employee shall be eligible for the grant of PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in Section 6.8.

6.13 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least a Satisfactory rating may be eligible for the full grant of the PBB.

6.14 An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least Satisfactory rating shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

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

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

a. Being a newly hired employee;
b. Retirement;
c. Resignation;
d. Rehabilitation Leave;
e. Maternity Leave and/or Paternity Leave;
f. Vacation or Sick Leave with or without pay;
g. Scholarship/Study Leave; and/or
h. Sabbatical Leave.

6.15 An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible for the grant of the PBB.

6.16 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2020 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.

6.17 Officials and employees who failed to submit the 2019 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY 2020 PBB.

6.18 Officials and employees who failed to liquidate all cash advances received in FY 2020 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997, and reiterated in COA Circular 2009-002 dated May 18, 2009, shall not be entitled to the FY 2020 PBB.

6.19 Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2020 PBB.

6.20 Agency heads should ensure that officials and employees covered by RA No. 6713 submitted their 2019 SALN to the respective SALN repository agencies, liquidated their FY 2020 Cash Advances, or completed the SPMS Forms, as these will be the basis for the release of FY 2020 PBB to individuals.

6.21 Officials and employees responsible for the implementation of the prior years' audit recommendations, QMS certification, or posting and dissemination of the department/agency system of ranking performance of delivery units, shall not be entitled to the FY 2020 PBB if the Department/Agency fails to comply with any of these requirements.

7.0 RANKING OF DELIVERY UNITS

7.7 Departments/agencies and their corresponding offices/delivery units that meet the criteria and conditions in Section 4.0 are eligible for the FY 2020 PBB. Bureaus, offices or delivery units eligible to the PBB shall be forced ranked according to the following categories:

Ranking	Performance Category
Top 10%	Best Delivery Units
Next 25%	Better Delivery Units
Next 65%	Good Delivery Units

The declarations of responsible bureaus/offices/delivery units in the completion of each critical service or other key processes shall be the basis for equitable performance ranking of delivery units. The resulting ranking of bureaus/offices/delivery units shall be indicated in Annex 7: Form 1- Report on Ranking of Delivery Units.

7.8 When identifying and determining delivery units, departments/agencies must be guided by the Master List of Departments/Agencies and Prescribed Delivery Units (See *Annex 1*).

a. A delivery unit is the primary subdivision of the department/agency performing substantive line functions, technical services, or administrative support, as reflected in the Department's/Agency's organizational structure/functional chart.

The identification of a delivery unit will depend on the type of government entity, with due consideration to its mandate, organizational level, and scope of operations, as follows:

TYPE OF GOVERNMENT ENTITY	DELIVERY UNITS
Department or Department-Level	1. Offices 2. Bureaus 3. Services 4. Regional Offices, if any
Agency	Intermediate Level 5. Offices 6. Bureaus 7. Services 8. Regional/Field Units, if any
	Bureau Level 9. Divisions 10. Field Units, if any
State University or College	11. Offices 12. Services 13. Campuses 14. Colleges
GOCC	15. Offices 16. Departments

a. For purposes of this Circular, agencies attached to a department or department-level entity shall be treated as an agency separate from its parent department and shall have a separate ranking of delivery units. Elementary and Secondary Schools under DepEd and Hospitals, Medical Centers and Treatment Facilities under DOH shall also be treated as agencies separate from their parent department as well as other agencies indicated in *Annex 1*.

b. To facilitate the ranking of delivery units, agencies may group or cluster the delivery units based on similarities of tasks and responsibilities, and rank the units within each group or cluster, provided that the resulting ranking distribution shall be in accordance with Section 7.1.

7.9 Only the personnel belonging to eligible delivery units are qualified for the PBB. Refer also to exclusion of individuals as cited in Section 7. While individual ranking shall be the basis for a merit increase, promotion, further training, and/or disciplinary action, individual ranking shall no longer be included in Form 1.0 (See *Annex 7 - Report on Ranking Delivery Units*).

7.10 To recognize the high performance of government employees to the achievement of agency targets and requirements for the grant of the FY 2020 PBB, departments/agencies shall list the names of employees who belong in the Best Delivery Unit/s using the Form 1.0 (See *Annex 7*).

7.11 The GCG, the LWUA, the DILG, and the DepEd shall issue pertinent guidelines on the ranking of delivery units for GOCCs covered by GCG, LWDs, LGUs, and DepEd Delivery Units respectively.

7.12 To heighten transparency among delivery units and employees, departments/agencies shall cascade to their employees the agency guidelines/mechanics in ranking delivery units for the grant of the FY 2020 PBB. Departments/agencies shall prepare the **System of Agency Ranking of Delivery Units for FY 2020 PBB** using the Form for the Guidelines/Mechanics in Ranking Delivery Units (See *Annex 8*). The duly completed and signed agency guidelines in ranking delivery units shall be posted on the agency TS webpage on or before **October 1, 2020.**

Should the departments/agencies decide to retain the previously posted guidelines, they should indicate or take note in the website that **no changes** have been made from the previous year's System of Agency Ranking of Delivery Units.

8.0 RATES OF THE PBB

The rates of the PBB for each individual shall be based on the performance ranking of the individual's bureaus or delivery units with the rate of incentive as a multiple of one's monthly basic salary as of December 31, 2020, based on the table below:

PERFORMANCE CATEGORY	MULTIPLE OF BASIC SALARY
Best Delivery Unit	0.65
Better Delivery Unit	0.575
Good Delivery Unit	0.50

9.0 TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

9.7 Departments/agencies should submit FY 2020 accomplishments using the Form A-Department/Agency Performance Report, Form A1-Details of Bureau/Office Performance Report, Citizen/Client Satisfaction Survey, Form 1.0 and the PBB Evaluation Matrix. They should submit duly completed and signed forms and reports to the AO25 IATF (two hard copies and e-copies, *i.e. PDF and editable MS Word or Excel files, of the above-mentioned reports and other supporting documents*) through the AO25 Secretariat which shall endorse copies to the oversight/validating agencies for review/evaluation. All forms and reports should be **signed** by the agency head or the duly designated official.

9.8 Submission of agency physical accomplishments and other requirements will be until **February 26, 2021,** for small agencies, and **August 31, 2021,** for big departments. Agencies shall ensure that all explanations and justifications are already attached in their submission.

9.9 The COA Audit Team Leaders shall verify/monitor compliance of their respective agencies with the audit recommendations shown in the Status of Implementation of Prior Years' Audit Recommendations in the Annual Audit Report/Management Letter and submit a report thereon, to the concerned Supervising Auditor (SA). The SA will then prepare a summary report for submission to the concerned Cluster Director. Based on the reports submitted by the SAs, the Cluster Director shall submit to the IATF Secretariat, copy furnished the Sector Head and RMBO, PFMS, both of COA, a Summary List of Agencies that complied with the required minimum 30% full implementation of audit recommendations.

9.10 Results of the validation showing the agencies' compliance status with the PBB requirements shall be posted on the RBPMS website.

9.11 The IATF shall conduct spot-checks to validate claims and certifications made by departments/agencies on its submitted/posted reports and/or requirements.

9.12 The Department of Education shall have the same implementation timeline of GGCs, Physical Targets, STO, and GASS targets as indicated in Section 9.6.

9.13 The AO25 IATF sets the following implementation timeline for the FY 2020 PBB:

Deadline	Requirements	To submit/refer
Physical Targets		
February 26, 2021	a. Streamlining and Process Improvement of Agency Services and digitization initiatives (*small agencies*)	- Annexes 3A and 3B (Forms A/A1)
	b. Citizen/Client Satisfaction and agency best practice	- Annex 4
	c. SUCs Physical Targets	- Annex 5, 5.1, and 5.2
	d. Report on Ranking Delivery Units	- Form 1.0 and PBB Evaluation Matrix
Based on the timeline set by **GCG, LWUA,** and **DILG**	FY 2020 performance reports of the following: a. GOOCs covered by RA 10149 b. LWDs c. LGUs	Forms required by GCG, LWUA, and DILG
August 31, 2021	a. Streamlining and	- Annexes 3A and 3B

Deadline	Requirements	To submit/refer
	Process Improvement of Agency Services and digitization initiatives (*departments and agencies*)	(Forms A/A1)
	b. Citizen/Client Satisfaction and agency best practice	- Annex 4
	c. Report on Ranking Delivery Units	- Form 1.0 and PBB Evaluation Matrix
Good Governance Conditions (GGCs)		
October 01, 2020	Transparency Seal	- Annex 2 - Posting/updating of requirements in the TS page
December 04, 2020	Citizen's or Service Charter	- Certificate of Compliance pursuant to Section 4.1(c)
January 29, 2021	PhilGEPS Posting	- Annex 6 - Update the PhilGEPS posting of all invitations to bids and awarded contracts
Support to Operations (STO)		
December 31, 2020	QMS Certification	- Posting of the valid complete set, i.e., including the registration schedule and sub-certificates which could indicate the scope of registration, sites covered and validity period, of QMS Certification in the TS page.
General Administration and Support Services (GASS)		
March 31, 2020	FY 2020 APP-non CSE	- Submit to GPPB-TSO - Posting in the TS
June 30, 2020	Results of FY 2019 APCPI System	- Accomplish forms from the APCPI tool - Submit results to GPPB-TSO
September 30, 2020	Indicative FY 2021 APP-non CSE	- Posting in the TS
December 15, 2020	FY 2020 APP-CSE	- Submit to DBM-PS - Posting in the TS
December 31, 2020	Sustained Compliance w/ Audit Findings	

Deadline	Requirements	To submit/refer
Within thirty (30) days after the approval of the GAA	Early Procurement Activities	- Annex 10 – Certificate of EPA Compliance - Posting of all Contracts and Notice to Proceed of successful EPAs
Other-cross Cutting Requirements		
October 1, 2020	a. Agency's Establishment and Conduct of Agency Review and Compliance of SALN b. Agency's System of Rating and Ranking of Delivery Units	- To be posted in the TS webpage
January 29, 2021	a. Updated People's FOI manual b. FOI reports: Agency Information Inventory, 2020 FOI Registry, and 2020 FOI Summary Report c. Modified One-page FOI Manual d. Screenshot of agency's home page	- Submission to PCOO - Posting in the TS

10.0 EFFECTS OF NON-COMPLIANCE

10.7 For FY 2020, agencies that are unable to comply with all the GGCs shall be considered ineligible for the FY 2020 PBB.

10.8 Departments/agencies that are unable to comply with a maximum of two (2) Performance Targets due to controllable factors as determined by the validating agencies shall be considered ineligible for the FY 2020 PBB.

10.9 In the event the AO25 IATF conducted a random check of submitted SALN of employees and found non-compliance with the guidelines prescribed by the CSC and the posted Review and Compliance Procedure of the concerned department/agency, such incident could be a cause to disqualify the department/agency in the succeeding cycle of the PBB.

10.10 **Prohibited Acts.** A department/agency/GOCC/LWD/LGU, which, after due process by the oversight agency has been determined to have committed the following prohibited acts, shall be disqualified from the PBB in the succeeding year of its implementation. Moreover, the CSC or Ombudsman shall file the appropriate administrative case:

a. Misrepresentation in the submitted/posted reports and requirements for the PBB, a commission of fraud in the payment of the PBB and violation of the provisions of this Circular; and

b. Evenly distributing PBB among employees in an agency, in violation of the policy of paying the PBB based on the ranking of delivery units.

11.0 FEEDBACK AND CHANGE MANAGEMENT

11.7 Department Secretaries/Heads of Agencies with the support of their Performance Management Groups should enhance the implementation of their internal communications strategy on Performance-Based Incentive System, and fulfill the following:

a. Engage their respective employees in understanding the PBIS, the performance targets of their respective departments/agencies, as well as the services and outputs that they will need to deliver to meet these targets.

b. Disseminate the performance targets and accomplishments of their departments/agencies to their employees through the intranet and other means, as well as publish these on their respective websites for the public's information.

c. Set up a Help Desk to respond to queries and comments on the targets and accomplishments of their departments/agencies. The Help Desk may be a facility that is embedded in the respective websites of departments/agencies.

d. Set up a Complaints Mechanism to respond to the PBIS-related issues and concerns raised by officials and employees of their respective departments/agencies. Such may be incorporated in the functions of their Grievance Committee.

11.8 Department Secretaries/Heads of Agencies shall designate a senior official who shall serve as a PBB focal person. The offices responsible for the performance management may be tasked to provide secretariat support to the Performance Management Group/Team and to recommend strategies to instill a culture of performance within the department/agency.

12.0 INFORMATION AND COMMUNICATION

12.7 Department Secretaries/Heads of Agencies shall confirm with the IATF the name, position and contact details (e-mail, landline, facsimile, cellular phone) of the senior officials designated as the PBB focal person and the spokesperson, respectively.

12.8 Departments/agencies should strengthen their communications strategy and ensure transparency and accountability in the implementation of the PBB.

12.9 The IATF shall maintain the following communication channels:

1. AO25 Secretariat at ao25secretariat@dap.edu.ph
2. RBPMS website www.dap.edu.ph/rbpms
3. Telephone: (02) 8400-1469, (02) 8400-1490, (02) 8400-1582
4. Facebook: www.facebook.com/PBBsecretariat

13.0 APPLICABILITY TO THE CONSTITUTIONAL BODIES, LEGISLATIVE AND JUDICIAL BRANCHES

The Congress, the Judiciary, and Constitutional Commissions are encouraged to follow these guidelines to be eligible for the FY 2020 PBB.

14.0 EFFECTIVITY CLAUSE

This Memorandum Circular shall take effect immediately.

Certified true copies shall be posted on the RBPMS website and the Official Gazette, and shall be filed at the University of the Philippines Law Center.

WENDEL E. AVISADO
Secretary, Department of Budget and Management
and Chairman, AO25 Inter-Agency Task Force