



**GUIDELINES ON THE RANKING OF PSRTI DELIVERY UNITS  
AND INDIVIDUALS IN LINE WITH THE GRANT OF  
PERFORMANCE-BASED BONUS (PBB) FOR FY 2018**

**I. BACKGROUND**

Results-Based Performance Management System (RBPMS) has significantly contributed to the government's goal of strengthening public accountability and ensuring the effective delivery of services to the Filipino people. The RBPMS represents a major governance reform that not only links budget with outcomes, but also puts premium on the improvement of the performance management and monitoring system in the government.

Executive Order (EO) No. 201 s. 2016<sup>1</sup> provided that the compensation and position classification shall be revised or updated to strengthen the performance-based incentive system in recognition of government personnel who play a greater role and carry a heavier responsibility in attaining performance targets and delivering results. The PBB shall be subject to the achievement of performance targets or commitments by departments or agencies and individual employees and compliance with good governance and other conditions.

Memorandum Circular (MC) 2018-1<sup>2</sup> issued by the AO 25 Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems prescribed the criteria and conditions for the grant of the enhanced, including the ranking system to recognize different levels of performance.

**II. OBJECTIVE**

This set of guidelines aims to provide the basis for distribution of the PBB incentives within the PSRTI officials and employees on the rating and ranking process of delivery units.

**III. KEY PLAYERS**

The PSRTI Performance Management Team (PMT), which consists of division chiefs and selected rank-and-file employees directly oversee the performance of delivery units, shall assist the Head of the Agency in undertaking the forced ranking of delivery units and ensure adherence to the PBB Guidelines.

**DELIVERY UNITS (DUs)**

The PSRTI has the following DUs:

1. Office of the Executive Director (OED)

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<sup>1</sup> Executive Order (EO) No. 201 s. 2016

<sup>2</sup> Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2018 under Executive Order No. 80 S. 2012 and Executive Order No. 201 s. 2016

2. Finance and Administrative Division (FAD)
3. Research Division (RD)
4. Training Division (TD)
5. Knowledge Management (KM)

#### IV. RANKING OF DELIVERY UNITS

A two-stage process for ranking of DUs will be followed:

##### 1. FIRST STAGE RANKING

- a. For the first stage, ranking of delivery units will be done per division.
- b. Each division is given the flexibility to develop its respective criteria for the ranking of the staff, with the numerical OPCR rating of the division as the minimum criterion. This may be supplemented by additional criteria.
- c. The Division Chief (DC) will have the option to rank their respective staff ordinally (i.e., with 1 being the top performer and n being the bottom performer) or forced ranked.
- d. The DUs shall be forced ranked based on the following percentage distribution:

No. of Delivery Units	Divisions	NO. OF DELIVERY UNITS TO BE RANKED AS		
		BEST (Top 10%)	BETTER (Next 25%)	GOOD (Next 65%)
1	OED	1	1	2
2	FAD			
3	RD			
4	TD			
5	KMD			

- e. The DCs shall articulate to employees concerned the agreed criteria to be applied prior to conduct of actual ranking. The Head of the Agency (HA) shall assess the agreed criteria and determine their rating and ranking. The HA shall discuss the result of the assessment with the DC and shall document the results of the assessment using the prescribed form.

##### 2. SECOND STAGE RANKING

- a. The Head of the Agency determines the final ranking, using the following percentage distribution:

No. of Delivery Units	NO. OF DELIVERY UNITS TO BE RANKED AS		
	BEST (Top 10%)	BETTER (Next 25%)	GOOD (Next 65%)
5	1	1	2

- b. The criteria to be used are as follows:

#### V. ELIGIBILITY CRITERIA

The PSRTI must satisfy the following conditions to be eligible for the grant of the PBB for FY 2018:

## **1. FY 2018 GOOD GOVERNANCE CONDITIONS (GGCs)**

The AO25 IATF sets the following GGCs based on performance drivers of the RBPMS and the priorities of the Duterte Administration for 1) heightened transparency, 2) stronger public accountability, and 3) more inclusive and people-centered public service:

- a. Maintain/Update the agency Transparency Seal (TS) pursuant to Section 99 of the General Provisions of the FY 2018 General Appropriations Act (GAA). The TS page should be accessible by clicking the TS logo on the home page. Guidelines on Transparency Seal for full details of requirements, which shall include the following:
  1. Agency's mandate and functions; names of its officials with their position and designation, and contact information;
  2. Annual Financial Reports; DBM Approved Budget and Corresponding Targets for FY 2018 Major Projects, and Programs, Beneficiaries, and Status of Implementation for FY 2018;
  3. FY 2018 Annual Procurement Plan (APP) for Non-CSE, Indicative FY 2019 APP Non-CSE, and FY 2019 APP for Common-Supplies and Equipment (FY 2019 APP CSE);
  4. Quality Management System (QMS) Certification to ISO 9001:2015 issued by any of the certification bodies (CBs) accredited by the International Accreditation Forum (IAF) members or similar standards relating to Total Quality Management (TQM), e.g. Philippine Quality Award, ISO/IEC 17025, ISO 17020, and Omentum Accreditation Canada, of at least one (1) core process or frontline service;
  5. System of Agency Ranking Delivery Units for FY 2018 PBB;
  6. The Agency Review and Compliance Procedure of Statements and Financial Disclosures; and
  7. The Final People's Freedom to Information (FOI) Manual signed by head of agency; Agency Information Inventory; 2017 and 2018 FOI Summary Report, and 2017 and 2018 FOI Registry.
- b. Post/Update the PhilGEPS posting of all Invitations to Bids and awarded contracts pursuant to the Government Procurement Reform Act (RA No. 9184) for transactions from November 16, 2017 to January 31, 2018, including the Early Procurement of FY 2019 Non-CSE items.
- c. Maintain/Update the Citizen's or Service Charter, reflecting the PSRTI's enhanced service standards for all its frontline services to citizens, businesses, and government agencies, consistent with the objectives of the Anti-Red Tape Act of 2007 (RA No. 9485), and the President's directive to reduce 3 processing time of all public transactions with government, and ensure accessible and convenient delivery of services to the public, as reiterated in CSC Memorandum Circular No. 14, s. 2016.

Non-compliance with any of the GGCs will render the entire department/agency ineligible for the PBB. Assessment of agency compliance with GGC requirements shall be conducted starting October 1, 2018.

## **2. FY 2018 PERFORMANCE TARGETS**

With respect to the Physical Targets, the AO 25 IATF sets the following requirements to strengthen the performance of departments and agencies in efficiently providing public services.

- a. Streamlining and Process Improvement of the Agency's Critical Services covering Government-to-Citizens (G2C), Government-to-Businesses (G2B), and Government-to Government (G2G) transactions as cited in the agency's Citizen's/Service Charter. To promote the periodic measurement of agency performance in delivering said services agencies shall determine and report the following using the Modified Form A Department/Agency Performance Report.

PSRTI should aim to achieve the following improvements for each of their critical services/processes:

1. Reduction in the number of signatures to not more than three (3);
  2. Simplification of application forms or documentary requirements; and
  3. 50% reduction in the turnaround time and completion of the transaction within 15 days.
- b. Citizen/Client Satisfaction. In order to determine the effectiveness of the streamlining and process improvements initiated, the PSRTI should embed feedback mechanisms and citizen/client satisfaction measurement in the process improvement efforts and report the results of the Citizen/Client Satisfaction Survey for each service.
  - c. STO Target. Initial certification of the QMS for at least one (1) core process or frontline service as mandated under its existing pertinent laws issued by any of the certification bodies (CBs) accredited by the International Accreditation Forum (IAF) members.
  - d. GASS Targets. The common GASS targets shall include the following:
    1. Budget Utilization Rate (BUR), which shall consist of: Obligations BUR computed as obligation rates for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) of all programs, activities, and projects funded in FY 2018 from all appropriation sources, including those released under the General Appropriations Act as the allotment order policy, net of savings from procurement, and implementation of cost-cutting measures; and
    2. Disbursements BUR which is measured by the ratio of total disbursements (cash and non-cash, excluding Personnel Services) to total obligations for MOOE and CO in FY 2018, net of goods and services obligated by December 31, 2018 but accounts payable and not yet due and demandable on the said date.

- e. 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, to improve the internal control processes, enhance operational effectiveness, and eliminate, resolve and remedy most, if not all, of the agency audit findings, by the end of 2020.
- f. Compliance with Quarterly Submission of Budget and Financial Accountability Reports (BFARs) Online using the DBM's Unified Reporting System (URS) 15 days after end of each quarter.
- g. Submission of Annual Procurement Plan (APP-non CSE) in the format prescribed under GPPB Circular No. 07-2015 by posting it in the agency TS.
  - 1. To support Early Procurement, the Indicative FY 2019 APP-non CSE consistent with the FY 2019 National Expenditure Program (NEP) should be posted on the agency TS page not later than August 31, 2018.
  - 2. Submission of FY 2019 Annual Procurement Plan-Common-Use Supplies and Equipment (FY 2019 APP-CSE) to the DBM-Procurement Service on or before August 31, 2018 in the prescribed format by DBM-PS. The same should be posted in the agency TS page not later than August 31, 2018.
  - 3. Undertaking of Early Procurement for at least 50% of the value of goods and services based on the departments/agency's budget submitted to the Congress consistent with the NEP.
  - 4. Submission of results of FY 2017 Agency Procurement Compliance and Performance Indicators (APCPI) System.
- h. Other cross-cutting requirements. The AO 25 IATF sets the following cross-cutting requirements.
  - 1. Establishment and Conduct of Agency Review and Compliance Procedure of SALN pursuant to Section 10 of the Code of Conduct and Ethical Standards for Public Officials and Employees (RA No. 6713).
  - 2. 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).

## **VI. ELIGIBILITY OF PSRTI OFFICIALS AND EMPLOYEES**

- 1. The Head of Agency is eligible only if the respective DUs are eligible. If eligible, their PBB rate for FY 2018 shall be equivalent to 65% of their monthly basic salary.
- 2. Employees belonging to the First, Second and Third levels should receive a rating of at least "Satisfactory" based on the agency's CSC-approved SPMS or CESPES. CESPES covers all incumbents of CES positions in various agencies of the national government for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent on the release of results of the CESPES.

3. Personnel on detail to another government agency for six (6) months or more shall be included in the ranking of employees in the recipient agency that rated his/her performance. Payment of the PBB shall come from the parent agency.
4. Personnel who transferred from one government agency to another 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.
5. An official/employee who has rendered a minimum of nine (9) months of service in FY 2019 and with at least Satisfactory rating shall be eligible to the full grant of the PBB.
6. An official/employee who rendered less than nine (9) months but a minimum of three (3) months of service with at least Satisfactory rating shall be eligible to the grant of the PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

<b>LENGTH OF SERVICE % OF PBB</b>	<b>% OF PBB</b>
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

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

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

7. The following shall not be entitled to the FY 2018 PBB:

- a. An employee who is on vacation or sick leave, with or without pay for the entire year;
- b. Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2018 by formal and executory judgement. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB; c.
- c. Officials and employees who failed to submit the 2018 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s. 2015); d.
- d. Officials and employees who failed to liquidate cash advances received in FY 2018 within the reglementary period as required by COA;
- e. Officials and employees who failed to submit their complete SPMS Forms;
- f. Officials and employees responsible for submitting COA Annual Financial Reports and Statements to include Financial Statements, Annual Financial Reports Annual

Audit Reports, shall not be entitled to the PBB if the agency fails to comply with the said reporting requirements as prescribed by COA;

- g. The Head of Procuring Entity (HOPE), Chairperson and Secretariat of the Bids and Awards Committee (BAC) shall not be entitled to the FY 2018 PBB if the agency fails to submit the following:
- FY 2019 Annual Procurement Plan (APP-non CSE) to the Government Procurement Policy Board (GPPB) not later than one month after the issuance of MC 2017-1 in the format prescribed under GPPB Circular No. 07-2015;
  - FY 2019 APP Common-Use Supplies and Equipment to the DBM-Procurement Service on or before November 30, 2017; and
  - Results of FY 2018 Agency Procurement Compliance and Performance Indicators (APCPI) System complete with the following forms: (1) APCPI-
    - i. Self-assessment Form; (2) APCPI – Consolidated Procurement Monitoring Report; (3) APCPI – Procurement Capacity Development Action Plan; and the Questionnaire on or before March 31, 2019.
- h. Officials and employees responsible for the non-compliance of prior years' audit recommendations.
- i. Officials and employees responsible for the QMS certification or alignment if the agency fails to comply with the said requirement;
- j. Officials and employees responsible for posting and dissemination of the agency system of ranking performance of DUs if the agency fails to comply.

## VII. EFFECTIVITY

This set of guidelines shall take effect immediately and shall remain in force unless revoked, cancelled or superseded by a subsequent issuance.

Approved by:

  
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Executive Director III