



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City, 1100
Tel. Nos.: (632) 929-66-26 to 29 • (632) 929-62-52
(632) 929-70-41 to 43

DENR Memorandum Circular
NO. 2016- 10

OCT 27 2016

SUBJECT: Guidelines on Ranking Delivery Units as Basis for Granting the Performance-Based Bonus (PBB) for FY 2016

1.0 BACKGROUND

- 1.1 The 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. 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. Along with its incentive component, and pursuant to Executive Order No. 80, s. 2012, the Performance-Based Incentive System (PBIS) consisting of the Productivity Enhancement Incentive (PEI) and the Performance-Based Bonus (PBB) was adopted in the national government since FY 2012.
- 1.2 Executive Order (EO) No. 201 s. 2016 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 delivery units.
- 1.3 EO No. 201 s. 2016 stipulated that the Inter-Agency Task Force (IATF) on Harmonization of National Government Performance Monitoring, Information and Reporting System created under Administrative Order No. 25 s. 2011 shall prescribe the conditions on eligibility and procedures for the grant of the enhanced PBB, including the ranking system to recognize difference in levels of performance.
- 1.4 Consistent with IATF MC No. 2016-1 dated 12 May 2016, the DENR issues this Memorandum Circular setting forth the Guidelines on Ranking Delivery Units and Individuals as Basis for granting the PBB for FY 2016.

2.0 PURPOSE

This Memorandum Circular contains the criteria and conditions for the grant of Performance-Based Bonus (PBB) in FY 2016. The guidelines specify requirements such as:

- 2.1 Use of the Strategic Performance Management System (SPMS) as basis for ranking performance of First and Second level employees;

myra

- 2.2 Compliance to Public Financial Management (PFM) reporting requirements of the Commission on Audit (COA) and Department of Budget and Management (DBM);
- 2.3 Adoption and use of the FY 2015 Agency Procurement Compliance and Performance Indicators (APCPI) System per Government Procurement Policy Board (GPPB) Resolution No. 10-2012 applicable to the main/head/Central Offices for APCPI that meet the requirements as stated in Section 5.c of MC 2016-1;
- 2.4 Submission of the Annual Procurement Plan (APP) for CY 2016 based on the agency approved budget to the GPPB and its Technical Support Office (TSO) within one month from the issuance of MC 2016-1.
- 2.5 The submission of FY 2016 performance targets and accomplishments on Priority Programs/Projects under the five (5) KRAs of EO 43 is suspended as a transition to a new administration.

3.0 COVERAGE

- 3.1 All offices of the DENR at the central, regional, provincial and community levels, staff bureaus, line bureaus including their respective regional offices, and attached agencies as listed in **Annex A.1 & Annex B.**
- 3.2 All officials and employees holding regular **plantilla** positions; and contractual and casual employees having an employer-employee relationship with the office, and whose compensation are charged to the lump sum appropriation under Personnel Services, or those occupying positions in the DBM-approved contractual staffing pattern of the Department.

4.0 ELIGIBILITY CRITERIA

- 4.1 Each agency must satisfy the following conditions:
 - a. Achieve agency performance targets under their respective Major Final Outputs (MFOs) under the Performance Informed Budget (PIB) of the FY 2016 GAA, and the targets for Support to Operations (STO) and General Administration and support Services (GASS). Use Form A for Department/Agency Performance Accomplishment and Form A1 for Details of Bureau/Office Performance Indicators and Accomplishments.
 - b. Satisfy 100% of the Good Governance Conditions set by AO25 Inter-Agency Task Force (IATF) for FY 2016; and
 - c. Use the CSC-approved SPMS in rating the performance of First and Second Level officials and employees of the department including officials holding managerial and Director positions but are not presidential appointees; and

myra

Career Executive Service Performance Evaluation System (CESPES) in rating and ranking of Career Executive Service (CES) officials and incumbents of CES positions.

5.0 FY 2016 PERFORMANCE TARGETS

- 5.1 All MFO indicators and targets in the FY 2016 Performance-Informed Budget approved by Congress shall be the bases for assessing eligibility for the PBB.
- 5.2 In addition to the MFO indicators and STO targets in the FY 2016 Performance-Informed Budget, the following shall also be included:
- a. STO target identified in accordance with the priority of the Agency Head;
 - b. Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the AO25 IATF or ISO-aligned documentation of its QMS for one core process as evidenced by the presence of the following documents in the Transparency Seal:
 - b.1 Approved Quality Manual; and
 - b.2 Approved Procedures and Work Instructions Manual including Forms
- 5.3 The GASS targets shall be as follows:
- a. Budget utilization rate (BUR), which shall consist of:
 - a.1 Obligations BUR computed as obligations against all allotments available in FY 2016, including those released under the "GAA as a release document" policy; and
 - a.2 Disbursement BUR which is measured by the ratio of total disbursement (cash and non-cash, excluding personnel services) to total obligations for MOOE and Capital Outlays in FY 2016.
 - b. Compliance to Public Financial Management reporting requirements of the COA and DBM in accordance with the prescribed content and period of submission under existing laws, rules and regulations. This includes the following:
 - b.1 Budget and Financial Accountability Reports (BFARs)
 - b.2 Report on Ageing of Cash Advances
 - b.3 COA Financial Reports (Statement of Financial Position; Statement of Financial Performance; Statement of Changes in Net Assets/Equity; Statement of Cash Flows; Statement of Comparison of Budget and Actual Amounts; and Notes to Financial Statements) per COA Resolution 2014-003

myra

- c. Adoption and use of the 2015 Agency Procurement Compliance and Performance Indicators (APCPI) System per Government Procurement Policy Board (GPPB) Resolution No. 10-2012 applicable to the central offices for APCPI that must meet the requirements specified in MC 2016-1.
 - d. Submission of the Annual Procurement Plan (APP) CY 2016 based on the agency approved budget in the GAA to the GPPB and its Technical Support Office (TSO) within one month from the issuance of MC 2016-1.
- 5.4 In case a department/agency is assessed to have deficiencies in meeting its performance commitments, the Department Secretary or head of Agency may request for re-evaluation of their 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 factors that are considered outside of the control of the agency.
- 5.5 As a transition to a new administration, the submission of FY 2016 performance targets and accomplishments on Priority Programs/Projects agreed with the President under the five (5) KRAs of EO No. 43; on commitments of the Department Secretary/Head of Agency approved by the President/office of the Cabinet Secretary as reflected in the OP Planning Tool; and on Ease of doing Business set by the National Competitive Council (NCC), shall be suspended for FY 2016 PBB only.

6.0 GOOD GOVERNANCE CONDITIONS (GCCs)

- 6.1 For FY 2016, the IATF set three (3) good governance conditions based on the performance drivers of the Results-based Performance Management System (RBPMS):
- a. Maintain/Update the Agency Transparency Seal;
 - b. Maintain/Update the PhilGEPS posting; and
 - c. Maintain/Update the Citizens or Service Charter or its equivalent
- 6.2 The Agency Transparency Seal page should be accessible by clicking on the TS logo on the Home page. Agency Transparency Seal should contain the following documents:
- a. Agency's mandates and functions, names of officials with their position and designation, and contact information;
 - b. DBM-approved budget and corresponding targets for FY 2016
 - c. Budget and Financial Accountability Reports;
 - c.1 FY 2013 to FY 2016 FAR No. 1:SAAOBOB
 - c.2 FY 2013 to FY 2016 Summary Report on Disbursements
 - c.3 FY 2013 to FY 2016 BAR No. 1 – Quarterly Physical Report of Operations/Physical Plan

myra

- d. FY 2016 Major Programs and Projects categorized in accordance with the Five KRAs under EO No. 43
 - e. The program/project beneficiaries as identified in the applicable special provisions. If this portion is not applicable, agencies should indicate not applicable (NA);
 - f. Status of implementation, evaluation and/or assessment reports;
 - g. FY 2016 APP;
 - h. QMS ISO Certification for at least one core process by any international certifying body approved by the IATF or ISO-aligned QMS documents;
 - i. System of Ranking Delivery Units, to be posted in the agency Transparency Seal and disseminated to employees not later than **October 30, 2016**.
- 6.3 Assessment of agency compliance with the GGCs and other PBB requirements shall be conducted starting October 1, 2016.

7.0 ELIGIBILITY OF INDIVIDUALS

- 7.1 The eligibility of Department Secretaries, Heads of Attached Agencies will depend on the eligibility and performance of the respective department/agency. Their PBB shall be based on the monthly basic salary as December 31, 2016 as follows:

| Performance of Eligible Agency | PBB as % of Monthly Basic Salary |
|---|----------------------------------|
| Agency achieved all GGCs, and its physical targets in all MFOs, STO and GASS indicators | 65% |
| Agency achieved all GGCs, and has deficiency/ies in some of its physical targets/s due to <i>uncontrollable</i> reasons | 57.5% |
| Agency achieved all GGCs, and has deficiency in one of its physical target/s due to <i>controllable</i> reasons | 50% |

Note: *Heads of departments/agencies shall not be included in the ranking and Reporting of delivery units but will be provided a separate line under Form 1.0*

- 7.2 Employees belonging to the First and Second Levels should receive a rating of at least "Satisfactory" based on the CSC-approved Strategic Performance Management System (SPMS).
- 7.3 Third level officials should receive a rating of at least "Satisfactory" under the CESPES. The CESPES covers all incumbents of CES positions for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent on the release of results of the CESPES.

msw

- 7.4 Other officials performing managerial and executive functions who are not presidential appointees are covered by the CSC-approved SPMS and should receive a rating of at least "Satisfactory".
- 7.5 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.
- 7.6 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.
- 7.7 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least Satisfactory rating may be eligible to the full grant of the PBB.
- 7.8 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 PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

| Length of Service | % of PBB Rate |
|---------------------------------|----------------------|
| 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/Death
- 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
- h. Sabbatical Leave

- 7.9 In case of death of an employee, computation of PBB will be on a pro-rata basis similar to retirement.
- 7.10 Heirs of the deceased personnel who qualified for 2016 PBB shall be required to present proof of legitimacy of claim.
- 7.11 An employee who is on vacation or sick leave, with or without pay for the entire year, is not eligible to the grant of the PBB.

my

- 7.12 Personnel found guilty of administrative and/or criminal cases in FY 2016 by formal and executory judgment 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.
- 7.13 Officials and employees who failed to submit the 2015 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s. 2015) shall not be entitled to the FY 2016 PBB.
- 7.14 Officials and employees who failed to liquidate within the reglementary period the Cash Advances received in FY 2016 as required by COA shall not be entitled to the FY 2016 PBB.
- 7.15 Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2016 PBB.
- 7.16 All officials and employees covered by RA No. 6713 must submit their 2015 SALN to respective SALN repository agencies, liquidate their FY 2016 Cash Advances, and complete the SPMS Forms, as these will be the basis for the release of FY 2016 PBB to individuals.

8.0 RANKING OF DELIVERY UNITS

- 8.1 All delivery units that meet the criteria and conditions in Section 4.1 are eligible to the FY 2016 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 Unit |
| Next 25% | Better Delivery Unit |
| Next 65% | Good Delivery Unit |

- 8.2 The qualifying indicators (indicators and targets in the FY 2016 Performance-Informed Budget approved by Congress) and the ranking indicators shall be the main parameters to be used by the PMG ranking sub-committees in rating the performance of the different delivery units (DUs). The accomplishments on the qualifying indicators covers 60% of the total performance rating of the DUs while the remaining 40% shall be for the accomplishments on the ranking indicators.
- 8.3 The PMG and Ranking Committees shall use a point system for ranking indicators. The PMG is authorized to develop a point system for ranking indicators and shall issue a separate guideline.
- 8.4 Rounding off of ranking the DUs shall be to the highest whole number (0.5 up should be rounded off to 1).

my

- 8.5 The PMG Ranking Committees shall develop objective tie-breaking criteria for DUs. In case of unresolved tie among DUs, the concerned ranking committee shall elevate it to the Secretary whose decision shall be enforced as final.
- 8.6 To facilitate the ranking of delivery units, the PMG shall consider similarities of task and responsibilities to determine the most appropriate grouping or clustering of delivery units as shown in Annex B.
- 8.7 Only the personnel belonging to eligible Delivery Units are qualified for the PBB. The resulting ranking of office/delivery unit shall be indicated in Form 1.0. There shall no longer be a ranking of individuals within a delivery unit.

9.0 RATES OF THE FY 2016 PBB

The PBB rates of individual employees shall depend on the performance ranking of the delivery unit where they belong, based on the individual's monthly basic salary as of December 31, 2016, as follows, but not lower than ₱5,000:

| Performance Category | PBB as % of Monthly Basic Salary |
|--|----------------------------------|
| Best Bureau/office/Delivery Unit (10%) | 65% |
| Better Bureau/office/Delivery Unit (25%) | 57.5% |
| Good Bureau/office/Delivery Unit (65%) | 50% |

10.0 SUBMISSION OF REPORTS

- 10.1 Duly completed and signed forms and reports should be submitted to the IATF through the AO25 Secretariat which shall endorse copies to the oversight/validating agencies for review/ evaluation.
- 10.2 COA Financial Reports including the Report on Ageing of Cash Advances shall be submitted directly to COA in accordance with the mandated period of submission. COA will provide the IATF the list of agencies that complied with this condition.
 - a. To be eligible, the agency must submit the FY 2015 financial reports not later than March 31, 2016. Large agencies are given consideration until April 30, 2016.
 - b. Agencies must submit to COA the Report on Ageing of Cash Advances with a cut-off date of November 15, 2016 to the respective Resident Auditors on or before December 1, 2016. Upon validation, the COA Resident Auditor will be responsible for forwarding the validation Report on Ageing Cash Advances to their respective Supervising Auditor/Cluster Director for proper transmittal to the Risk Management and Budget Office, COA Head Office.
- 10.3 DBM financial reports including BFARs shall be submitted directly to DBM.

msw

- 10.4 Certificates of compliance to Transparency Seal, ARTA and PhilGEPS are no longer necessary since the concerned oversight agency shall be conducting validation based on the agreed monitoring schedule. Results of the validation showing non-compliant agencies shall be posted in the RBPMS website.
- 10.5 FY 2016 accomplishments should be submitted using Form A and A-1, and Form 1.0 on or before January 15, 2017.
- 10.6 The IATF shall conduct spot-checks to validate claims and certifications made by department/agencies.

11.0 COMPLIANCE VALIDATION

The following oversight agencies are tasked to conduct the validation of Compliance with the PBB requirement:

| PBB Requirement | VALIDATING AGENCY |
|---|--|
| Transparency Seal | DBM-OCIO |
| PhilGEPS Posting | PhilGEPS |
| Citizens Charter | CSC |
| Submission of SALN | Office of the President, Office of the Ombudsman and CSC |
| MFO-Physical Accomplishments | DBM |
| STO – Accomplishments <ul style="list-style-type: none"> • QMS Certification or ISO-aligned QMS Documentation • STO identified by agency head | Government Quality Management Committee (GQMC) DBM |
| GASS <ul style="list-style-type: none"> • BUR • Public Financial Management Reports • Submission of Financial Statements, Ageing of Cash Advances } } • BFARs • APCPI • Submission of APP } } | DBM DBM COA DBM and COA GPPB-TSO |
| Agency Rating and Ranking Report | DBM-OPCCB |

12.0 EFFECTS OF NON-COMPLIANCE/PROHIBITED ACTS

- 12.1 Agencies that are unable to comply with all the good governance conditions shall be considered ineligible for FY 2016 PBB.

12.2 **Prohibited Acts:** A department/agency, 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 implementation. Moreover, the CSC or Ombudsman shall file the appropriate administrative case:

- a. Misrepresentation in the submitted reports required for the PBB, commission of fraud in the payment of the PBB and violation of the provision of the IATF guidelines, and;
- b. Evenly distributing the PBB among employees in an agency, in violation of the policy of paying the PBB based on the ranking of delivery units.

13.0 FEEDBACK AND CHANGE MANAGEMENT

13.1 Department Secretaries/Head of Agencies with the support of their Performance Management Groups shall develop and implement an internal communication strategy on PBIS, 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 in order to meet these targets.
- b. Disseminate the Agency performance targets and accomplishments to the employees through the intranet and other means, as well as publish on the respective website for the public's information.
- c. The PMG Secretariat shall serve as the Help Desk to respond to queries and comments on the targets and accomplishments of their department/agency. The Help Desk may be a facility that is embedded in the respective websites of the agency.
- 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.

13.2 The Department Secretary 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 PMG and to recommend strategies to instill a culture of performance within the department/agency.

14.0 INFORMATION AND COMMUNICATION

14.1 The Secretary 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.

my me

- 14.2 The Agency should strengthen their communication strategy and ensure transparency and accountability in the implementation of the PBB.

15.0 THE PERFORMANCE MANAGEMENT GROUP (PMG) AND ITS SUB-COMMITTEES

- 15.1 The Performance Management Group (PMG) chaired by the Undersecretary for Policy, Planning shall directly oversee the performance of the DUs and assist the Secretary in carrying out forced ranking of DUs as well as ensuring adherence to the criteria and guidelines of the PBB-PBIS.

- 15.2 As a transition, the line bureaus (EMB, MGB) and attached agencies (NAMRIA, NWRB, PCSDS) shall create their respective ranking committees as per MC 2016-02. The functions of the Ranking Committee is reflected in **Annex A** and the list of DUs in **Annex A.1**

The above-cited offices are required to submit the ranking indicators of their respective DUs to the DENR-PMG.

- 15.2 The created sub-committees of the PMG shall assess the performance of the different clusters of DUs and assist in ranking them according to performance criteria. There shall be four (4) sub-committees to assess and rank the performance of Management and Support Group (MSG), Services, Staff Bureaus, DENR Regional Offices. The respective Regional PMGs and Regional Ranking Committees shall be formed to look into the performance of their respective Offices.

- 15.3 The DENR PMG Ranking Committees shall be composed of Officials or members of the EXECOM at the Central Office, Regional Office, Bureaus/Attached Agencies or those involved in the monitoring of physical and financial performance. However, they are prohibited from assessing/ranking the group or DU of their own. They would be joined by the representatives from the employees union, planning division chiefs and finance division chiefs.

- 15.4 The PMG, through the National/Central Office Secretariat, shall ensure that the required forms for submission to the AO 25 Task Force are completely filled up. The Secretariat shall also ensure that all the forms/documents used in the rating and ranking are secured and shall safekeep them for consolidation and submission.

16.0 SUBMISSION OF REPORTS BY FOCAL PERSONS

Focal Person (Senior Official) per Qualifying Indicator is designated to Monitor compliance of Central Office/Regional Offices/Bureaus/Attached Agencies. Focal Persons shall submit Reports of Compliance to the PMG Secretariat every end of the quarter.

Below is the matrix of PBB indicators with the designated Focal Person and the corresponding date of compliance:

| Performance Indicator | Focal Person | Date of Compliance |
|---|---|---|
| Good Governance Conditions | | |
| Transparency Seal | Director, Strategic Communication & Initiatives Service | Every 17 th day of the month following the quarter |
| PhilGEPs Posting | Director, Knowledge and Information Systems Service | December 01, 2016 |
| Review and Submission of SALN | Director, Human Resource Development Service | February 28, 2016 |
| Citizens Charter | Assistant Secretary, Human Resource Development and Information Systems | 15 days upon receipt of Memo from the CCT |
| Major frontline service (SECSIME) | | July 1, 2016 |
| Support To Operations | | |
| Quality Management System (QMS) | Director, Knowledge & Information Systems Service | December 30, 2016 |
| Inventory of Ageing Cases | Assistant Secretary, Legal Service | November 30, 2016 |
| G A S S | | |
| Budget Utilization Rate (BUR) | Director, Financial Management Service | January 15, 2017 |
| Submission of Financial Statements | Director, Financial Management Service | April 30, 2016 |
| Ageing of Cash Advances Report | | December 01, 2016 |
| Budget and Financial Accountability Report (BFAR) | | 30 days or one month after the end of each qtr. |
| APCPI | Director, Administrative Service | December 01, 2016 |
| Submission of APP | | June 13, 2016 |
| Inventory and reconciliation of property, plant & equipment (PPE) | Director, Administrative Service | December 30, 2016 |
| Submission of OPCR | Director, Policy and Planning | September 30, 2016 |

17.0 TIMELINE FOR FY 2016 IMPLEMENTATION

| Activity | Deadline |
|--|--------------------------------|
| Submission of FY 2015 Financial Reports to COA | On or before April 30, 2016 |
| Posting of agency system of ranking delivery units | On or before October 30, 2016 |
| Submission of Report on Ageing of Cash Advance Liquidation (Nov. 15, 2016 cut-off) | On or before December 01, 2016 |

| | |
|--|---------------------------------------|
| Submission of Certificate of Compliance with PhilGEPS (Nov. 15, 2016 as cut-off) | On or before December 01, 2016 |
| Submission of Accomplishments using Form A, A1 and Form 1.0 (Dec. 31, 2016 as cut-off) | On or before January 15, 2017 |
| Submission of BFARs to COA and DBM | 30 days after the end of each quarter |
| Submission of 2015 APCPI Self Assessment | On or before December 01, 2016 |
| Submission of APP | June 13, 2016 |
| Validation of QMS Certification or the ISO-aligned QMS documentation | On or before January 15, 2017 |
| Validation of 2 nd STO Indicator as identified by head of agency | On or before January 15, 2017 |

Note: *Certificate of Compliance for Transparency Seal, Citizens Charter and PhilGEPS posting will not be submitted to DBM-OCIO, CSC and PHilGEPS) Assessment will be conducted by the validating agencies starting October 1, 2016. Agencies should ensure compliance to the requirements.*

18.0 SOURCE OF PBB FUND

The DENR-PBB shall be charged against Miscellaneous Personnel Benefits Fund (MPBF) in the General Appropriations Act.

19.0 EFFECTIVITY

This Circular shall take effect immediately. Succeeding Circular/Guidelines shall be based on outcome/impact performance measures.


REGINA PAZ L. LOPEZ
 Secretary



Mymc

Annex A

FUNCTIONS OF THE RANKING COMMITTEE
Pursuant to MC 2016-02 dated 12 October 2016

1. Identify Ranking Indicators of each delivery unit within the Bureau or Agency.
2. Oversee the performance of the delivery unit.
3. Ensure the adherence to the criteria and guidelines of the 2016 PBB.
4. Deliberate on the performance of the different delivery units using the 2016 Performance Delivery Unit Rating Sheet.
5. In case the Bureau or Agency qualifies for 2016 PBB, the Ranking committee shall force rank the DUs in accordance with the Section 8 of MC 2016-01 dated 12 May 2016.
6. Ensure timely and accurate submission of Form 1.

my me

Annex A.1

DELIVERY UNITS TO BE RANKED FOR PBB
(Line Bureaus and Attached Agencies)
Pursuant to MC 2016-02 dated 12 October 2016

A. Environmental Management Bureau (EMB)

Office of the Director and Asst. Director
EMB Central Office Divisions
EMB Regional Offices

B. Mines and GeoSciences Bureau (MGB)

Office of the Director and Asst. Director
MGB Central Office Divisions
MGB Regional Offices

C. National Mapping and Resource Information Authority (NAMRIA)

Office of the Administrator
Branches

D. National Water Resources Board (NWRB)

Office of the Executive Director
Divisions

E. Palawan Council for Sustainable Development Staff (PCSDS)

Office of the Chairman, Executive Director
Divisions

myw

**DELIVERY UNITS TO BE RANKED FOR PBB
(DENR - OSEC)**

A. Management and Support Group (1)

1. Office of the Secretary, Office of the Undersecretaries, Office of the Assistant Secretaries and the Internal Audit Service including staff

B. Services (8)

1. Strategic Communication & Initiatives Service (SCIS)
2. Foreign-Assisted and Special Projects Office
3. Knowledge & Information Systems Service (KISS)
4. Legal Service
5. Administrative Service
6. Financial Management Service
7. Human Resources Development Service
8. PPSO, Manila Bay Coordinating Office (MBCO), River Basin Control Office (RBCO), CARP National Coordinating Office and Climate Change Office (CCO)

C. Staff Bureaus (4)

1. Forest Management Bureau (FMB)
2. Biodiversity Management Bureau (BMB)
3. Land Management Bureau (LMB)
4. Ecosystems Research and Development Bureau (ERDB)

C. Field Operations Group (18)

1. DENR Regional Offices (17) including their respective PENROs and CENROs

msw

Performance-Based Bonus (PBB) Comparison of FYs 2015 & 2016 Guidelines

| FROM (2015) | TO (2016) |
|--|--|
| A. Eligibility Criteria | |
| 1. Achieve at least 90% of targets under MFOs, STO and GASS | Achieve agency performance targets under MFOs, STO and GASS |
| 2. Achieve at least 90% of each one of the priority program/project targets agreed with the President under the five KRAs of EO 43 | As transition to new administration, submission of FY 2016 targets and accomplishments on priority programs/projects and on commitments of the Secretary as reflected in the OP Planning Tool shall be suspended for FY 2016 PBB only. |
| 3. Achieve at least 90% of each one of the additional targets of the Secretary as reflected in the OP Planning Tool Form 1 | |

| FROM (2015) | TO (2016) |
|---|--|
| B. Performance Targets | |
| <p>1. In addition to the STO indicators and targets in the 2015 Performance-Informed Budget, include:</p> <p>Establishment of Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the AO 25 IATF or the submission of an Operations Manual covering selected core processes or areas of operation.</p> | <p>1. In addition to the STO indicators and targets in the 2015 Performance-Informed Budget, include:</p> <p>Establishment of Quality Management System (QMS) for at least one core process certified by any international certifying body approved by the AO 25 IATF or ISO-aligned documentation of its QMS for one core process as evidenced by the presence of the following documents in the Transparency Seal:</p> <ul style="list-style-type: none"> a. Approved Quality Manual b. Approved Procedures and Work Instructions Manual including Forms |

| FROM (2015) | TO (2016) |
|---|---|
| C. Eligibility of Individuals | |
| <p>1. The PBB rate of the Secretary shall be fixed at P35,000 for FY 2015</p> | <p>The Secretary's PBB shall be based on his/her monthly basic salary as of 31 December 2016, as follows:</p> |

| Performance of Eligible Agency | PBB as % of Monthly Basic Salary |
|---|----------------------------------|
| Agency achieved all GGCs, and its physical targets in all MFOs, STO and GASS indicators | 65% |
| Agency achieved all GGCs, and has deficiency/ies in some of its physical target/s due to uncontrollable reasons | 57.5% |
| Agency achieved all GGCs, and has deficiency in one of its physical target/s due to controllable reasons | 50% |

| FROM (2015) | TO (2016) |
|---|---|
| 2. Third Level officials should receive a rating of at least “Very Satisfactory” under the CESPES | Third Level officials should receive a rating of at least “Satisfactory” under the CESPES |
| | Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2016 PBB |
| 3. Agency heads should ensure that officials and employees submitted their 2014 SALN to the respective SALN repository agencies and also liquidated their FY 2015 Cash Advances, as these will be the bases for the release of PBB 2015 to individuals. | Agency heads should ensure that officials and employees submitted their 2015 SALN to the respective SALN repository agencies , liquidated their FY 2016 Cash Advances, and completed the SPMS Forms , as these will be the bases for the release of PBB 2016 to individuals. |

| FROM (2015) | TO (2016) |
|--|--|
| <p>D. Ranking of Delivery Units and Individuals</p> | |
| <p>1. To facilitate the ranking of DUs, agencies should consider similarities of tasks and responsibilities to determine the most appropriate grouping or clustering of DUs & individuals.</p> | <p>IATF MC 2016-2 was issued providing the Guidelines in the identification and Determination of DUs. Salient provisions:</p> <ul style="list-style-type: none"> a. DU – primary subdivision of a Department/agency performing substantive line functions, technical services or administrative support b. Agencies attached to a Dept. shall be treated as an agency separate from its parent Dept. and shall have a separate ranking of its DUs. |

| FROM (2015) | TO (2016) |
|--|--|
| <p>D. Ranking of Delivery Units and Individuals</p> | |
| | <ul style="list-style-type: none"> c. The identification of DU will depend on the type of government entity, with due consideration to its mandate, organizational level and scope of operations. |

| FROM (2015) | TO (2016) | |
|---|-------------------------------------|---|
| DENR Delivery Units (65) | DENR | Delivery Units |
| a. Management Support Group (MSG) - 9 DUs | a. Office of the Secretary (Proper) | <ul style="list-style-type: none"> • Ofc of the Secretary • Bureaus • Services • Regional Offices |
| b. Bureaus & Attached Agencies (BAA) - 9 DUs | b. Environmental Management Bureau | <ul style="list-style-type: none"> • Ofc of the Director • C. O. Divisions • Regional Offices |
| c. Field Operations Group (FOG) - 47 DUs | c. Mines & Geo-Sciences Bureau | <ul style="list-style-type: none"> • Ofc of the Director • C. O. Divisions • Regional Offices |
| DENR Regional Offices – 16 DUs | d. NAMRIA | <ul style="list-style-type: none"> • Ofc of the Administrator • Branches |
| MGB Regional Offices - 15 DUs | e. NWRB | <ul style="list-style-type: none"> • Ofc of the Executive Director • Divisions |
| EMB Regional Offices - 16 DUs | f. PCSDS | <ul style="list-style-type: none"> • Ofc of the Chair (incl. Ofc of the Exec. Dir.) • Divisions |

| FROM (2015) | TO (2016) | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------|----------|---------|----------------|----------|------------------|----------|----------------|---------|----------|---------|----------------|----------|------------------|----------|----------------|---------|----------|---------|----------------|----------|------------------|----------|----------------|--|
| <p>2. Officials and employees of DUs that qualified for the PBB shall be forced ranked, as follows:</p> <p>For the Best DU:</p> <table> <tr> <td>Ranking</td> <td>Category</td> </tr> <tr> <td>Top 20%</td> <td>Best Performer</td> </tr> <tr> <td>Next 35%</td> <td>Better Performer</td> </tr> <tr> <td>Next 45%</td> <td>Good Performer</td> </tr> </table> <p>For the Better DU:</p> <table> <tr> <td>Ranking</td> <td>Category</td> </tr> <tr> <td>Top 15%</td> <td>Best Performer</td> </tr> <tr> <td>Next 30%</td> <td>Better Performer</td> </tr> <tr> <td>Next 55%</td> <td>Good Performer</td> </tr> </table> <p>For the Good Bureau:</p> <table> <tr> <td>Ranking</td> <td>Category</td> </tr> <tr> <td>Top 10%</td> <td>Best Performer</td> </tr> <tr> <td>Next 25%</td> <td>Better Performer</td> </tr> <tr> <td>Next 65%</td> <td>Good Performer</td> </tr> </table> | Ranking | Category | Top 20% | Best Performer | Next 35% | Better Performer | Next 45% | Good Performer | Ranking | Category | Top 15% | Best Performer | Next 30% | Better Performer | Next 55% | Good Performer | Ranking | Category | Top 10% | Best Performer | Next 25% | Better Performer | Next 65% | Good Performer | <p>There shall no longer be a ranking of individuals within a delivery unit.</p> |
| Ranking | Category | | | | | | | | | | | | | | | | | | | | | | | | |
| Top 20% | Best Performer | | | | | | | | | | | | | | | | | | | | | | | | |
| Next 35% | Better Performer | | | | | | | | | | | | | | | | | | | | | | | | |
| Next 45% | Good Performer | | | | | | | | | | | | | | | | | | | | | | | | |
| Ranking | Category | | | | | | | | | | | | | | | | | | | | | | | | |
| Top 15% | Best Performer | | | | | | | | | | | | | | | | | | | | | | | | |
| Next 30% | Better Performer | | | | | | | | | | | | | | | | | | | | | | | | |
| Next 55% | Good Performer | | | | | | | | | | | | | | | | | | | | | | | | |
| Ranking | Category | | | | | | | | | | | | | | | | | | | | | | | | |
| Top 10% | Best Performer | | | | | | | | | | | | | | | | | | | | | | | | |
| Next 25% | Better Performer | | | | | | | | | | | | | | | | | | | | | | | | |
| Next 65% | Good Performer | | | | | | | | | | | | | | | | | | | | | | | | |

PBB RATES OF INCENTIVES (2012-2015)

| Bureau Category | Individual Category | | |
|----------------------|---------------------|------------------|----------------|
| | Best Performer | Better Performer | Good Performer |
| Best Delivery Unit | 35,000.00 | 20,000.00 | 10,000.00 |
| Better Delivery Unit | 25,000.00 | 13,500.00 | 7,000.00 |
| Good Delivery Unit | 15,000.00 | 10,000.00 | 5,000.00 |

RATES OF THE FY 2016 PBB

The PBB rates of individual employees shall depend on the performance ranking of the Delivery Unit where they belong, based on the individual's monthly basic salary as of 31 December 2016, as follows, but not lower than P5,000:

| Performance Category | PBB as % of Monthly Basic Salary |
|----------------------------|----------------------------------|
| Best Delivery Unit (10%) | 65% |
| Better Delivery Unit (25%) | 57.5% |
| Good Delivery Unit (65%) | 50% |



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City, 1100
Trunkline (632) 929-66-26 • 929-6628 • 929-6635 • 929-4028 • 929-3618
426-0465 • 426-0001 • 426-0347 • 426-0480 • 426-0491
Voice-Over-Internet-Protocol (VOIP) Trunkline (632) 755-3330 • 755-3300

SUBJECT: **GUIDELINES ON RANKING DELIVERY UNITS AS BASIS FOR GRANTING THE PERFORMANCE-BASED BONUS (PBB) FOR FY 2016**

Recommending Approval:

on leave

ATTY. ANNALIZA REBUELTAH-TEH

Undersecretary and Chief of Staff

ATTY. JONAS R. LEONES

Undersecretary for International Affairs
and Foreign Assisted Programs

ISABELO R. MONTEJO

Undersecretary for Field Operations

ATTY. JUAN MIGUEL T. CUNA

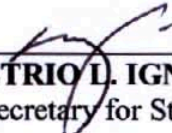
Assistant Secretary for Field Operations - Luzon

CORAZON C. DAVIS


Assistant Secretary for Administration
and Finance

SUBJECT: **GUIDELINES ON RANKING DELIVERY UNITS AS BASIS FOR GRANTING THE PERFORMANCE-BASED BONUS (PBB) FOR FY 2016**


Recommending Approval:



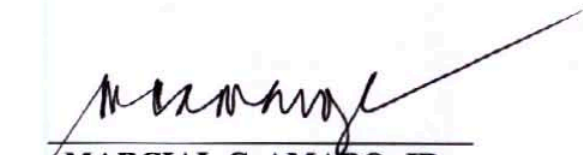
DEMETRIO L. IGNACIO, JR
Undersecretary for Staff Bureaus



JOSELIN MARCUS E. FRAGADA
Undersecretary for Legislative Affairs



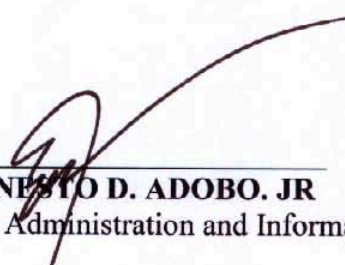
ROMMEL R. ABESAMIS
Assistant Secretary for Foreign Assisted and Special Projects



MARCIAL C. AMARO, JR.
Assistant Secretary for Field Operations - Mindanao

SUBJECT: GUIDELINES ON RANKING DELIVERY UNITS AS BASIS FOR GRANTING THE PERFORMANCE-BASED BONUS (PBB) FOR FY 2016

Recommending Approval:



ERNESTO D. ADOBO, JR

Undersecretary for Administration and Information Systems