




DEC 09 2021

**MEMORANDUM CIRCULAR**

No. 016   
Series of 2021

**SUBJECT : Adoption and Implementation of AO 25 Inter-Agency Task Force (IATF) Memorandum Circular (MC) No. 2021-2 (Supplemental Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year [FY] 2021 under Executive Order (EO) No. 80, s. 2012 and EO No. 201, s. 2016)**

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Pursuant to Administrative Order (AO) No. 25, s. 2011 and in line with the grant of Performance-Based Bonus (PBB) for FY 2021, the adoption and implementation of the MC No. 2021-2 of the AO25 IATF on the Harmonization of National Government Performance Monitoring, Information, and Reporting Systems is hereby directed.

The abovementioned AO25 IATF Supplemental Guidelines provide clarifications and additional information on the requirements prescribed in MC 2021-1 (Guidelines on the Grant of the PBB for FY 2021 under EO 80, s. 2012 and EO 201, s. 2016). These clarifications involve the FY 2021 PBB targets and agency accountabilities as stated in Sections 4 and 5, respectively, of the AO IATF MC 2021-1.

The AO IATF MC 2021-2 shall serve as additional guidelines to operationalize and comply with the agency, delivery units, responsible units, and individual eligibility criteria and conditions as basis for the grant of FY 2021 PBB to eligible officials and employees.

For guidance and compliance.

  
**Usec. PETER N. TIANGCO, PhD, CESO I**  
Administrator

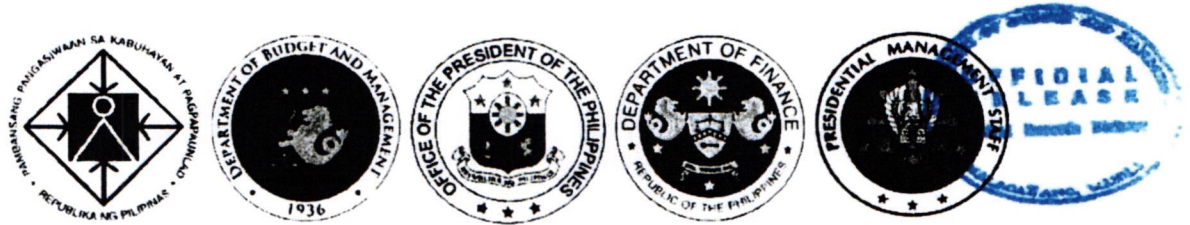
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**INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF  
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS**  
(Administrative Order No. 25 S. 2011)

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**MEMORANDUM CIRCULAR NO. 2021- 2**

October 25, 2021

**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:** SUPPLEMENTAL GUIDELINES ON THE GRANT OF THE PERFORMANCE-BASED BONUS (PBB) FOR FISCAL YEAR (FY) 2021 UNDER EXECUTIVE ORDER NO. 80, S. 2012 AND EXECUTIVE ORDER NO. 201, S. 2016

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**1.0 PURPOSE**

The Administrative Order (AO) No. 25 Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (AO25 IATF) has issued Memorandum Circular (MC) No. 2021-1 (*Guidelines on the Grant of the Performance-Based Bonus for the Fiscal Year 2021 under Executive Order No. 80 s. 2012 and Executive Order No. 201 s. 2016*) dated June 3, 2021.

Consistent with MC No. 2021-1, the Department of the Interior and Local Government (DILG), Local Water Utilities Administration (LWUA), and the Governance Commission for Government-Owned or-Controlled Corporations (GCG) shall issue separate guidelines for the grant of the FY 2021 Performance-Based Bonus (PBB) for local government units (LGUs), local water districts (LWDs), and government-owned or-controlled corporations (GOCCs), respectively.

The Supplemental Guidelines shall provide clarifications and additional information on the requirements provided in MC No. 2021-1.

**2.0 CLARIFICATIONS ON THE FY 2021 PBB TARGETS AS STATED IN SECTION 4.0**

For FY 2021, agencies must submit evidence of accomplishments of the criteria and conditions provided in Section 4.0 – Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results. Agencies are encouraged to include in their submission all explanations and justifications for deficiencies and non-achievement of targets.



The following requirements shall be attained by the agencies in compliance with the FY 2021 PBB criteria and conditions:

- 2.1 **Performance Results.** Agencies must ensure the uploading of the quarterly Budget and Financial Accountability Reports (BFARs) on the Department of Budget and Management-Unified Reporting System (DBM-URS), in a timely manner within thirty (30) days after the end of each quarter. The quarterly BFARs shall be used in the assessment of the FY 2021 Performance Results accomplishments of the agencies.

For deficiencies or non-attainment of FY 2021 targets, justifications must be submitted together with the 4<sup>th</sup> quarter BFAR to the DBM thirty (30) days after the end of the 4<sup>th</sup> quarter of FY 2021.

- 2.2 **Process Results.** For the assessment of accomplishments under Process Results, agencies may submit to the AO25 Secretariat evidence and/or documentation of ease of transaction through one or a combination of the following:

2.2.1 **For Departments/Agencies:**

- a. Report objectively verifiable evidence of achievements in ease of doing business or ease of transaction for frontline services covering all government-to-citizens, government-to-business, and government-to-government transactions using Form A as provided in Annex 3 of MC No. 2021-1. The report should highlight the tangible improvements from the viewpoint of the transacting public in terms of access, turnaround time, transaction costs, documentary and other requirements.
- b. Report on the digitization initiatives or digital transformation of frontline and non-frontline services through the development of electronic or online and/or paperless application systems, payment systems, new service delivery channels, contactless transactions, and other process improvements using information technology. The report should highlight the tangible results of digitization in terms of ease of doing business or ease of transaction from the point of view of the transacting public.
- c. Standard operating procedures, manual or documentation of service delivery standards for frontline and non-frontline services of the agency, including those implemented at the Regional, Satellite, and Extension Offices. The report should highlight the tangible results of standardization of the frontline and non-frontline services in assuring ease of transaction and doing business with the agency.
- d. Valid ISO QMS certification or equivalent certification of frontline and non-frontline services of the agency, as of 31 December 2021. The certificate must indicate the scope of certification.

## 2.2.2 For State Universities and Colleges (SUCs):

- a. Valid ISO QMS certification or equivalent certification of frontline and non-frontline services of the SUC, as of 31 December 2021. The certificate must indicate the scope of certification.
- b. Standard operating procedures, manual or documentation of service delivery standards for frontline and non-frontline services of the agency, including those implemented at the Regional, Satellite, and Extension Offices. The report should highlight the tangible results of standardization of the frontline and non-frontline services in assuring ease of transaction and doing business with the agency.

- 2.3 **Financial Results.** Same as the Performance Results, the agencies must ensure the uploading of the quarterly Budget and Financial Accountability Reports (BFARs) on the DBM-URS, in a timely manner within thirty (30) days after the end of each quarter.

The submitted FY 2021 Financial Accountability Reports (FAR) No.1 Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances or SAAODB shall be the basis in determining the FY 2021 budget utilization rate (BUR) accomplishment of agencies. As mentioned in MC No. 2021-1, the requirement for the FY 2021 Financial Results is the total Disbursements BUR of agencies. The total Disbursements is net of transfers to the Procurement Service (PS), Philippine International Trading Corporation (PITC), and other implementing agencies which have not been delivered. *See Section 4.3 of MC No. 2021-1 for reference of the computation.*

Further, reiteration on the other BUR requirements under Financial Results as prescribed in Section 4.3 pertaining to the BUR for GOCCs, agencies with fund transfers, and the BUR for SUCs including the Earmarked Income.

- 2.4 **Citizen/Client Satisfaction Results.** Agencies shall submit to the AO25 Secretariat the results of the FY 2021 Citizen/Client Satisfaction Survey (CCSS) and may provide evidence on the resolution of reported complaints from Hotline #8888 and Contact Center ng Bayan (CCB) received in FY 2021.

### 2.4.1 FY 2021 CCSS:

Agency reports on the CCSS should follow the prescribed requirements and rating scale as stated in Annex 4 of MC No. 2021-1 Guide in Conducting the CCSS. The report should include a description of the methods and rating scale used in determining the FY 2021 Overall Satisfaction Score for its services.

The agencies shall report the overall agency rating in the service quality dimensions and overall agency citizen/client satisfaction score for the reported services.

LWDs and GOCCs covered by RA No. 10149 shall report the results of their CCSS or feedback mechanism based on the standard methodology and corresponding questionnaire prescribed by LWUA and GCG.



2.4.2 Resolution of Reported Complaints from Hotline #8888 and CCB:

- a. In consideration to its first year of implementation, the requirements under this target shall only cover the **resolution rate** of agencies to the complaints received from Hotline #8888 and CCB in FY 2021. Agencies may submit reports, evidence, and/or documentation summarizing the Hotline #8888 and CCB complaints received in FY 2021 and their status if resolved or pending, as complemented in the data gathered from Hotline #8888, CCB databases, and the monthly reports provided by the Office of the President and the Civil Service Commission to all agencies.
- b. Reported complaints and grievances shall cover government service and procedures of the agencies, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities.
- c. To determine the resolution and compliance rates to Hotline #8888 and CCB complaints, agencies may refer to the following:

PORTALS	RESOLUTION RATE	COMPLIANCE RATE
<b>Hotline #8888</b>	The percentage of tickets acted upon or <i>closed tickets</i> by a government agency against the total number of endorsed tickets by the Hotline #8888 Citizen's Complaint Center (CCC) without consideration of the 72-hour period to take action as prescribed in Executive Order (EO) No. 6, s. 2016 <sup>1</sup> .	The percentage of tickets acted upon or <i>closed tickets</i> by a government agency within the 72-hour period to take action, as prescribed in EO No. 6, s. 2016.
<b>Contact Center ng Bayan (CCB)</b>	<p><i>Negative feedback</i> on government services, processes, and procedures lodged through the CCB are considered <i>resolved</i> after the agency has responded to the referral and provided detailed action taken to correct the reported dissatisfaction and prevent its re-occurrence.</p> <p>If the particular concern cannot be acted upon, the agency has to provide an explanation as to why it cannot be addressed. The negative feedback will be considered <i>resolved</i> upon receipt of the reply/explanation from the agency.</p> <p>If the complaint involves an administrative case, the CCB will still forward the negative feedback to the agency and will request an update on the status of the case. Upon receipt of the reply, the CCB will inform the customer of the feedback from the agency and will consider the ticket resolved.</p>	Percentage of negative feedback resolved by the agency within the prescribed timeline of 72 hours over the total number of negative feedback received within a particular period.

<sup>1</sup> Institutionalizing the 8888 Citizen's Complaint Hotline and Establishing the 8888 Citizen's Complaint Center



For Hotline #8888, a *concrete* and *specific* action shall refer to the actual and factual action to the complaint. It must be within the mandate of the agency and a clear, specific, and relevant response to the concern of the caller. As much as the circumstances permit, the caller shall be given advice on the concrete and specific action taken or feedback on the status of the concern until its resolution, and the agency shall inform the #8888 CCC, through their respective #8888 Agency Portals, of the action taken on the complaint, concern, or request. The #8888 CCC requires proof of concrete and specific action taken and proof of communication to the caller.

- d. The requirements under the Citizen/Client Satisfaction Results shall be scored following this **modified rating scale**:

<b>TABLE 5: RATING SCALE FOR CITIZEN/CLIENT SATISFACTION RESULTS<sup>2</sup></b>				
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>No submission/ Did not conduct CCSS</b>	<b>Low satisfaction rate with unresolved #8888/CCB complaints</b>	<b>Average to high satisfaction rate with unresolved #8888/CCB complaints</b>	<b>Average satisfaction rate with 100% #8888/CCB complaints resolved</b>	<b>High satisfaction rate with 100% #8888/CCB complaints resolved</b>

### **3.0 CLARIFICATIONS ON THE AGENCY ACCOUNTABILITIES AS STATED IN SECTION 5.0.**

Provided in Section 5.0 of MC No. 2021-1, agencies shall institutionalize compliance to existing government-mandated laws and standards, and the requirements under Agency Accountabilities. The Performance Management Team of the agency shall continue to implement, monitor, and enforce compliance with these requirements within their agencies and shall directly report or submit to the validating/oversight agencies.

- 3.1 **Undertaking of Early Procurement Activities (EPA).** As stated in Section 3.0 of the Guidelines in the Conduct of Early Procurement Activities as a Requirement for the Grant of the PBB<sup>3</sup>, to be eligible for the PBB, the Procuring Entities that receive budgetary support from the National Government based on the National Expenditure Program are required to successfully undertake EPA for at least 50% of the value of its Eligible Procurement Projects (EPPs). Procuring Entities shall submit an EPA Certification under Oath to the GPPB-TSO **on or before 31 January** of the fiscal year through email: [earlyprocurement@gppb.gov.ph](mailto:earlyprocurement@gppb.gov.ph). See *Supplemental Annexes A, A1, and A2*.

For reference to the deadline of submissions, agencies shall refer to the *Agency Accountability Timelines* document provided by the AO25 Secretariat following the issuance of MC No. 2021-1. Agencies may also directly coordinate with the validating/oversight agencies should there be any clarifications or separate guidelines pertaining to the FY 2021 requirements under this section.

<sup>2</sup> Table 5 in MC No 2021-1 (page 7)


<sup>3</sup> *Guidelines in the Conduct of Early Procurement Activities as a Requirement for the Grant of the Performance-Based Bonus issued by the Government Procurement Policy Board-Technical Support Office (GPPB-TSO)*

#### 4.0 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.



**TINA ROSE MARIE L. CANDA**  
Officer-in-Charge   
Department of Budget and Management



## Agency Accountability Timelines

For reference, agencies should observe the timelines and comply with the following requirements under Section 5.0: Agency Accountabilities of Memorandum Circular (MC) 2021-1:

Deadline	Requirements	Validating Agency
On or before 31 January of the fiscal year	Submit Certificate of Compliance that the agency conducted <b>Early Procurement Activities</b> for at least 50% of the Total Value of the <b>FY 2022 Procurement Projects</b> to the GPPB-TSO.  <i>Note: Early Procurement Activities should be conducted in FY 2021</i>	GPPB-TSO
March 31, 2021	Submit <b>FY 2021 APP-non CSE</b> to GPPB-TSO.	GPPB-TSO
June 30, 2021	Submit Results of the <b>APCPI</b> system for <b>FY 2020 Procurement Transactions</b> to GPPB-TSO.	GPPB-TSO
August 31, 2021	Submit the <b>FY 2022 APP-CSE</b> thru the PhilGEPS Virtual Store.	DBM-PS
September 30, 2021	Posting of <b>Indicative FY 2022 APP-non CSE</b> in the agency's Transparency Seal webpage.	GPPB-TSO
October 01, 2021	<b>Maintain/Update the agency Transparency Seal (TS)</b> under Section 96 of the General Provisions of the FY 2021 General Appropriations Act (GAA). The TS page should be accessible by clicking the TS logo on the home page.	DBM-OCIO
December 04, 2021	Set-up the most current and <b>updated Citizen's or Service Charter</b> , reflecting the agency's improved and streamlined/re-engineered system and procedure for all its government services to citizens, businesses, and government agencies.  Departments/agencies shall submit their respective Certificates of Compliance (CoC) to the Anti-Red Tape Authority (ARTA) at <a href="mailto:compliance@arta.gov.ph">compliance@arta.gov.ph</a> on or before December 04, 2021.	ARTA
December 31, 2021 <i>(validity of certificate)</i>	The <b>ISO QMS Certification</b> or equivalent certification/recertification must be valid as of December 31, 2021.  <i>Note: For compliance by departments and agencies which will use the ISO QMS certification/recertification as evidence or requirement for the Process Results criterion for the grant of the FY 2021 Performance-Based Bonus (PBB).</i>	To be provided in the GQMC guidelines on the validation of the certification.
December 31, 2021	<b>Sustained Compliance w/ Audit Findings</b> 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 2019 should also not recur. The objective is to improve the agency's	COA



Deadline	Requirements	Validating Agency
	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.	
January 29, 2022	<b>Update</b> all procurement requirements for transactions above 1 million from January 1, 2021 to December 31, 2021 in the <b>PhilGEPS</b> .	PS-PhilGEPS
October 1, 2021	Post the agency's policy on the <b>Establishment and Conduct of the Agency Review and Compliance of SALN</b> in the agency Transparency Seal for FY 2021.	CSC
January 29, 2022	Submit the following <b>Freedom of Information (FOI) Program</b> requirements to PCOO: a. Updated People's FOI manual b. FOI reports: Agency Information Inventory, 2021 FOI Registry, and 2021 FOI Summary Report c. Modified One-page FOI Manual d. Screenshot of agency's home page	PCOO

**Notes:**

*\*As provided in MC No. 2021-1, while the above conditions are no longer required in determining the overall PBB eligibility of agencies, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals. Agencies should submit these legal requirements directly to the oversight/validating agencies.*

*\*\*The oversight/validating agencies have the authority to modify their requirements and timelines as necessary. Agencies should directly contact the oversight/validating agencies of the above-mentioned Agency Accountabilities for updates and concerns.*