



**BLGF OFFICE ORDER NO. 10-17-2017**  
13 October 2017

**GUIDELINES ON THE GRANT OF THE PERFORMANCE-BASED BONUS (PBB) FOR  
THE OFFICIALS AND EMPLOYEES OF THE BUREAU OF LOCAL GOVERNMENT  
FINANCE (BLGF) FOR FY 2017**

**WHEREAS**, Executive Order (EO) No. 80, s. 2012, dated July 20, 2012, directs the adoption of the Performance Based Incentive System (PBIS) for government employees, consisting of the Productivity Enhancement Incentive (PEI) and the Performance-Based Bonus (PBB);

**WHEREAS**, the grant of the PBB in the BLGF aims to motivate the exemplary performance of functions and greater accountability and to ensure quality achievement of the Bureau's targets and commitments;

**NOW, THEREFORE**, in view of the foregoing and in accordance with the existing rules and regulations, the herein guidelines on the grant of the PBB for all officials and employees of the BLGF for FY 2017 are hereby issued:

**I. Implementing Guidelines.** The BLGF is guided by Memorandum Circular (MC) No. 2017-1 dated March 9, 2017 of the Inter-Agency task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (IATF) in the grant of the PBB for the Fiscal Year 2017.

**A. Eligibility Criteria on the Grant of the PBB 2017.** In order to ensure the eligibility of the Bureau to the PBB for FY 2017, it must satisfy the conditions set forth under MC No. 2017-1, as follows:

1. *Good Governance Conditions:* Satisfy 100% of the Good Governance Conditions for FY 2017 set by the AO 25 Inter-Agency Task Force (IATF) based on the existing performance drivers of the Results-Based Performance Management System (RBPMS) and the thrusts of the Duterte Administration for transparency, accountability and people-focused public service:
  - a. Maintenance/updating of the Transparency Seal pursuant to Section 93 of the General Provisions of the FY 2017 GAA, to enhance transparency and enforce accountability, with the following:
    - i. BLGF mandate and functions, names of officials with their position and designation, and contact information;
    - ii. DBM-approved budget and corresponding targets for 2017;
    - iii. Budget and Financial Accountability Reports, FY 2013 to 2017:
      - ✓ FAR No. 1: SAOOBDB
      - ✓ Summary Report on Disbursements
      - ✓ BAR No. 1 - Quarterly Physical Report of Operations/  
Physical Plan

- iv. FY2017 Projects, Programs and Activities, Beneficiaries and Status of Implementation for FY 2017 implemented in accordance with the Five Key Result Areas under EO 43, if applicable;
  - v. FY 2017 Annual Procurement Plan (APP-nonCSE) in the format prescribed under GPPB Circular No. 07-2015, and the APP for Common-Use Supplies and Equipment (APP-CSE) based on the guidelines issued by DBM;
  - vi. QMS ISO Certification for at least one core process, or an ISO 9001-aligned documentation of its QMS for at least one (1) core process as provided under Memorandum Circular No. 2017-1 of the Government Quality Management Committee;
  - vii. System of Ranking of Delivery Units; and
  - viii. The Freedom of Information (FOI) Manual
- b. Maintenance/updating of PhilGEPS posting of all Invitations to Bid and awarded contracts pursuant to the Government Procurement Reform Act (RA 9184) for transactions from November 16, 2016 to November 15, 2017;
- c. Compliance with the President's directive on improving all frontline services consistent with the objectives of the Anti-Red Tape Act of 2007 (RA No. 9485) and the President's directive to cut down processing time of all applications from submission to release, and to ensure accessible and convenient delivery of services to the public as reflected in CSC Memorandum Circular No. 14 s. 2016;
- i. Maintenance/updating of the Citizen's Charter, reflecting the enhanced service standards for all its front line services to citizens, businesses, and government agencies;
  - ii. Self-assessment and reporting of improvements made by the agency to implement the CSC Memorandum Circular No. 14 s. 2016.; and
- d. Maintenance/updating of the FOI Manual.

Non-compliance with any Good Governance Condition will render the Bureau ineligible for the PBB.

2. *Performance Targets:* Achieve the Bureau's performance targets in each of the Major Final Outputs (MFOs) under the Performance Informed Budget of the FY 2017 General Appropriations Act, and the targets for support to Operations (STO) and General Administration and Support Services (GASS).
- a. *MFO Targets:* The MFO indicators and targets in the FY2017 PIB approved by the Congress shall be the basis for assessing the eligibility for the PBB FY 2016 accomplishments. The BLGF performance in the achievement of the MFO targets shall be closely monitored through the use of the quarterly accountability reports uploaded in the DBM Unified Reporting System (URS).
  - b. *STO Targets:* The targets shall include (1) an ISO-aligned documentation for at least one core process, to include the following: Approved Quality

Manual and approved Procedures and Work Instructions Manual, including Forms; and Evidence of ISO 9001-aligned QMS implementation, i.e. Certification of the Executive Director on the conduct of Internal Quality Audit; and Minutes of the FY 2017 Management Review.; and (2) an STO target identified in accordance with the priority of the Executive Director.

c. *GASS Targets*: This shall include:

i. Budget Utilization Rate (BUR), which shall consist of:

- ✓ *Obligations BUR* computed as obligations against all allotments still effective in FY 2017, both continuing and current year from all appropriation sources, including those released under the "GAA as the allotment order policy, for maintenance and other operating expenses (MODE) and capital outlays (CO) in FY 2017; and
- ✓ *Disbursements BUR* measured by the ratio of total disbursement (cash and non-cash, excluding personnel services) to total obligations for maintenance and other operating expenses (MODE) and capital outlays (CO) in FY 2017.

ii. Quarterly submission of Budget and Financial Accountability Reports (BFARs) online using the DBM's Unified Reporting System (URS) 30 days after end of each quarter, as provided in COA-DBM-DOF Joint Circular No. 2014-1 dated July 4, 2014.

iii. Full compliance with at least 30% of the prior years' audit recommendations, as shown in the Report on Status of Implementation of Prior Years' Recommendations of the Annual Audit Report (AAR).

3. Use the CSC-approved Strategic Performance Management System (SPMS) in rating the performance of First and Second Level officials and employees of the Bureau including Division Chiefs. In rating the performance of Career Executive Service (CES) officers and incumbents of CES positions, the Career Executive Service Performance Evaluation System (CESPES) shall be the basis.

**B. Eligibility of Individual Employees.** Upon determination by the AO 25 IATF of the eligibility and performance ranking of the BLGF, the ratings obtained under the Career Executive Service Performance Evaluation System (CESPES) for the Third Level Officials and the Office Performance Commitment Review (OPCR) for Offices/Divisions/ Delivery Units and the Individual Performance Commitment Review (IPCR) for the Rank and File employees, as prescribed under the BLGF Strategic Performance Management System (SPMS), shall serve as bases for the ranking of their performance, and the following guidelines shall be observed:

1. The Bureau Head shall be eligible only if the BLGF is eligible. If eligible, his/her PBB rate for FY 2017 shall be equivalent to 65% of his/her monthly basic salary. He/she shall not be included in the Form 1.0 - Report on Ranking of Delivery Units prescribed under MC 2017-1.
2. All BLGF employees belonging to the First and Second levels should receive a rating of at least "Satisfactory" based on the Bureau's CSC-approved SPMS.



3. BLGF Officials belonging to the Third Level should receive a rating of at least 'Satisfactory' under the CESPES. CESPES covers all incumbents of CES positions in the Bureau, for an uninterrupted period of at least three (3) months. Payment of the PBB to Third Level officials shall be contingent on the results of the CESPES.
4. 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 mother agency.
5. 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. 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. 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
8 months but less than 9 months 90%	90%
7 months but less than 8 months 80%	80%
6 months but less than 7 months 70%	70%
5 months but less than 6 months 60%	60%
4 months but less than 5 months 50%	50%
3 months but less than 4 months 40%	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: Being a newly hired employee; Retirement; Resignation; Rehabilitation Leave; Maternity Leave and/or Paternity Leave; Vacation or Sick Leave with or without pay; Scholarship/Study Leave; Sabbatical Leave.

8. Officials and employees covered under these conditions shall not be entitled to the grant of the FY 2017 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 by final and executory judgment in FY 2017. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
  - c. Officials and employees who failed to submit the 2016 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015
  - d. Officials and employees who failed to liquidate all cash advances received in FY 2017 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.

- e. Officials and employees who failed to submit their complete SPMS Forms.
- f. Officials and employees responsible for the non-compliance of prior years' audit recommendations
- g. Officials and employees responsible for submitting COA Annual Financial Reports and Statements to include Financial Statements (FSs), Annual Financial Reports and Annual Audit Reports (AARs), shall not be entitled to the FY 2017 PBB if the Bureau fails to comply with the said reporting requirements as prescribed in COA Resolution 2014-003 dated January 14, 2014 and COA Circular 2015-002 dated March 9, 2015.
- h. Officials and employees responsible for submitting COA Annual Financial Reports and Statements to include Financial Statements (FSs), Annual Financial Reports and Annual Audit Reports (AARs), if the Bureau fails to comply with the said reporting requirements as prescribed in COA Resolution 2014-003 dated January 14, 2014 and COA Circular 2015-002 dated March 9, 2015.
- i. Officials and employees responsible for the QMS certification or alignment if the Bureau fails to comply with the said requirement.
- j. Officials and employees responsible for posting and dissemination of the Bureau's system of ranking performance of delivery units if the Bureau fails to comply.
- k. The Head of Procuring Entity (HOPE), Chairman and Secretariat of the Bids and Awards Committee (BAC) shall not be entitled to the FY 2017 PBB if the Bureau fails to submit the following:
  - i. FY 2017 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
  - ii. FY 2018 Annual Procurement Plan-Common-Use Supplies and Equipment (APP-CSE) to the DBM-Procurement Service on or before November 30, 2017
  - iii. Results of FY 2016 Agency Procurement Compliance and Performance Indicators (APCPI) System, per GPPB Resolution No. 10-2012, 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 March 31, 2017

- 9. The Bureau head should ensure that officials and employees covered by RA 6713 submitted their 2016 SALN to the respective SALN repository agencies, liquidated their FY 2017 Cash Advances, and completed the SPMS Forms, as these will be the basis for the release of FY 2017 PBB to individuals.

**II. Ranking of Delivery Units.** As prescribed under Memorandum Circular No. 2017-1 dated March 9, 2017 of the AO 25-IATF, the delivery units of the BLGF are: (i) Office of the Executive Director (including the Deputy Executive Directors and their immediate support staff); (ii) Services; and (iii) Regional Offices.

**A. Forced Ranking of Delivery Units.** The BLGF and its corresponding offices/delivery units that meet the criteria and conditions set in item I hereof, are eligible to receive the FY2016 PBB. The Bureau's offices or delivery units eligible to the PBB shall be forced ranked and categorized as follows:

Ranking	Percentage of PBB Rate
Top 10%	Best Office/Delivery Unit
Next 25%	Better Office/Delivery Unit
Next 65%	Good Office/Delivery Unit

Only the personnel belonging to eligible offices or delivery units are qualified for the PBB, subject however, to the exclusion of individuals cited in item I.B.8. An appropriate grouping/clustering of delivery units shall be adopted for this purpose. To facilitate the ranking of delivery units, agencies may group or cluster the delivery units based on similarities of tasks and responsibilities for purposes of evaluating and ranking group and individual performance, provided that the resulting ranking distribution shall be in accordance with the above ranking criteria. Individual ranking shall no longer be included in the Form 1.0 prescribed under MC 2017-1.

- B. **Criteria in Forced Ranking the Delivery Units.** Anchored on the Bureau's MFO to regulate the LGUs' financial management, the forced ranking of offices/delivery units shall be based on the following criteria, with corresponding weights to be agreed upon by the concerned delivery unit and the direct supervisor, and approved by the Bureau head:

Criteria	% Weight
Achievement of MFO Indicators and Targets (may be based on the overall OPCR score or the assigned targets)	60%
Achievement of other unit targets and accomplishments	20%
Full compliance with administrative/GASS requirements	10%
Other performance factors based on quality and quantity of outputs, complexity of tasks, and frequency of delivery.	10%

- III. **Rates of the FY2017 PBB.** The PBB rates of individual employees shall depend on the performance ranking of the individual's office or delivery unit, with the rate of incentive as a multiple of one's monthly basic salary based on the table below:

Performance Category	PBB as Multiple of the Monthly Basic Salary
Best Office/Delivery Unit	0.65
Better Office/Delivery Unit	0.575
Good Office/Delivery Unit	0.50

- IV. **PBB Support System.** The BLGF Central and Regional Offices shall designate their respective PBB focal persons to ensure compliance of all concerned with the above rules and regulations.

Immediate dissemination of and strict compliance with this Order is directed, and all concerned shall be guided accordingly.

This Order shall take effect immediately.

  
**NIÑO RAYMOND B. ALVINA**  
 OIC Executive Director