



REPUBLIC OF THE PHILIPPINES
BUREAU OF LOCAL GOVERNMENT FINANCE
DEPARTMENT OF FINANCE

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BLGF OFFICE ORDER NO. 10-013-2016
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**GUIDELINES ON THE GRANT OF PERFORMANCE-BASED BONUS (PBB)
FOR THE OFFICIALS AND EMPLOYEES OF THE BUREAU OF LOCAL
GOVERNMENT FINANCE (BLGF) FOR FY2016**

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 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 existing rules and regulations, the herein guidelines on the grant of the PBB for all officials and employees of the BLGF for FY2016 are hereby issued:

I. Implementing Guidelines. The BLGF is guided by Memorandum Circular (MC) No. 2016-1 dated May 12, 2016 of the Department of Budget and Management (DBM) in the grant of the PBB for Fiscal year 2016.

1. Eligibility Criteria on the Grant of the PBB for FY2016. In order to ensure the eligibility of the Bureau to the PBB for FY2016, it must satisfy the conditions set forth under MC No. 2016-1, as follows:

- a. Achieve the Bureau's performance targets under the Major Final Outputs (MFOs) under the Performance Informed Budget (PIB) of the FY2016 GAA, and the targets for Support to Operations (STO) and General Administration and Support Services (GASS).
 - i. The MFO indicators and targets in the FY2016 PIB approved by Congress shall be the basis for assessing the eligibility for the PBB. FY2016 accomplishments, including the forced ranking of delivery units, shall be submitted on or before January 15, 2017.
 - ii. An STO target shall be identified in accordance with the priority agenda of the Bureau head; and the Bureau has established a 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 following documents in the Bureau's Transparency Seal: (1) Approved Quality Manual; and (2) Approved Procedures and Work Instructions Manual including Forms.

- b. The GASS targets shall be as follows:
 - i. Budget Utilization Rate (BUR) of at least 90%, for both obligations and disbursements
 - ii. Compliance with the Public Financial Management (PFM) reporting requirements of the Commission of Audit (COA) and the DBM
 - 1. Budget and Financial Accountability Reports (BFARs)
 - 2. Report of Ageing of Cash Advances with cut-off date of November 15, 2016 to be submitted to COA Resident Auditor on or before December 1, 2016.
 - 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 No. 2014-003). Financial reports for FY2015 should be submitted directly to COA not later than March 31, 2016.
 - 4. Adoption of the FY2015 Agency Procurement Compliance and Performance Indicators (APCPI) System per Government Procurement Policy Board (GPPB) Resolution No. 10-2012. This applies only to the BLGF Central Office.
 - 5. Submission of the Annual Procurement Plan (APP) for FY2016 based on the Central or Regional Office's approved budget.
 - c. Satisfy 100% of the Good Governance Conditions set by the AO 25 inter-Agency Task Force (IATF) for FY2016.
 - i. Maintenance/updating of the Transparency Seal with the following:
 - 1. BLGF mandate and functions, names of officials with their position and designation, and contact information;
 - 2. DBM-approved budget and corresponding targets for 2016;
 - 3. BFARs for FY2013 to FY2016;
 - 4. FAR No. 1: SAOOBDB;
 - 5. Summary Report on Disbursements;
 - 6. BAR No. 1-Quarterly Physical Report of Operations/Physical Plan;
 - 7. FY2016 Major Programs and Projects implemented in accordance with the Five Key Result Areas under EO 43;
 - 8. Status of implementation, evaluation and/or assessment reports;
 - 9. FY2016 APP;
 - 10. QMS ISO Certification for at least one core process;
 - 11. System of Ranking of Delivery Units;
 - ii. Maintenance/updating of PhilGEPS posting; and
 - iii. Maintenance/updating of the Citizen's Service Charter.
 - d. Use the CSC-approved Strategic Performance Management System (SPMS) in rating the First and Second Level officials and employees of the Bureau, and the Career Executive Service Performance Evaluation System (CESPES) in rating the performance of CES officials and incumbents of CES positions.
- 2. 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

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employees, as prescribed under BLGF Strategic Performance Management System (SPMS), shall serve as bases for the ranking of their performance, and the following guidelines shall be observed:

- a. The Bureau Head shall be granted a PBB rate based on the monthly basic salary as of December 31, 2016, as follows:

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

- b. The Bureau Head shall not be included in the ranking and reporting of delivery units.
- c. 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.
- d. 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.
- e. The following rules shall apply to detailed employees:
- 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 which rated his/her performance. Payment of the PBB shall come from the parent agency.
 - 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.
- f. An official or employee who has rendered a minimum of nine (9) months of service in FY2016 and with at least Satisfactory rating may be eligible to the full grant of the PBB.
- g. 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 to the grant of PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

Length of Service	Percentage 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 not less than 5 months	50%
3 months but not less than 4 months	40%

- h. Personnel who rendered a minimum of three (3) months but less than nine (9) months of service (due to: being newly hired, retirement, resignation, rehabilitation leave, maternity leave, vacation leave or sick leave with or without pay, scholarship/study leave, and sabbatical leave) and with at least 'Satisfactory' rating shall be eligible for the grant of PBB on a pro-rata basis.
- i. Those officials and employees who are under the following conditions shall not be eligible for the grant of the PBB:
 - i. On vacation or sick leave, with or without pay, for the entire year;
 - ii. Found guilty of administrative and/or criminal cases filed against them and meted penalty in FY2015, except for the penalty of reprimand.
 - iii. Failed to submit their complete SPMS Forms.
 - iv. Received a 'Below Satisfactory' rating under the CESPES (for Third Level Officials) and SPMS (for First and Second Levels);
 - v. Failed to submit the 2015 Statement of Assets, Liabilities and Net Worth (SALN) as prescribed under CSC MC No. 3 (s.2015); and
 - vi. Failed to liquidate within the reglementary period the Cash Advances received in FY2015 as required by the COA.
- j. The Bureau Head shall ensure that officials and employees covered by Republic Act No. 6713 submitted their 2015 SALN to the respective SALN repository agencies, liquidated their FY2016 Cash Advances, and completed the SPMS Forms.

II. Ranking of Delivery Units. As prescribed under Memorandum Circular No. 26-2 dated October 12, 2016 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.

1. **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. An appropriate grouping/clustering of delivery units shall be adopted for this purpose. There shall be no ranking of individuals within a delivery unit.

2. **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%

Criteria	% Weight
▪ 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 FY2016 PBB. The PBB rates of individual employees shall depend on the performance ranking of the office or delivery unit where they belong, based on the individual's monthly basic salary as of December 31, 2016, as follows, but not lower than Php5,000:

Performance Category	PBB as % of Monthly Basic Salary
Best Office/Delivery Unit	65%
Better Office/Delivery Unit	57.5%
Good Office/Delivery Unit	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.


NINO RAYMOND B. ALVINA
 OIC Executive Director