



## ADMINISTRATIVE ORDER NO. 18

Series 2017

ADOPTING DILG-DBM JOINT MEMORANDUM CIRCULAR NO. 2017-4, DATED JUNE 7, 2017 AS THE GUIDELINES ON THE GRANT OF PERFORMANCE -BASED BONUS (PBB) OF THE LOCAL GOVERNMENT UNIT (LGU) OF ITOGON, BENGUET FOR CALENDAR YEAR 2017.

### **Background and Rationale:**

- 1.1. Executive Order (EO) No. 201, s. 2016 provided that the compensation and position classification be revised or updated to strengthen the Performance-Based Incentive System (PBIS) in recognition of government personnel who play a greater role and carry a heavier responsibility in attaining performance targets and delivering results.
- 1.2. E.O. No. 201 also stipulated that the grant of the enhanced Performance-Based Bonus (PBB) shall be subject to the achievement by departments or agencies, including Local Government Units (LGUs) and individual employees of their performance targets or commitments and compliance with good governance and other conditions.
- 1.3. Memorandum Circular No 2017-1 of the AO 25 Inter-Agency Task Force on the harmonization of National Government Performance Monitoring, Information and Reporting System (AO25 IATF), stated that, for LGUs, the performance targets shall be based on the Guidelines on the Grant of PB for LGUs to be issued by the AO 25 IATF and the Department of the Interior and Local Government (DILG).
- 1.4. In view thereof, this Joint Memorandum Circular is issued to prescribe the criteria and conditions for the grant of the PBB for FY 2017 performance of local government officials and employees, to be given in FY 2018.

### **2.0 COVERAGE**

- 2.1 This Joint Memorandum Circular covers LGUs in all provinces, cities and municipalities; and applies to all other officials and employees holding regular plantilla positions, as well as contractual and casual personnel, having an employer-employee relationship with these LGUs, and whose compensation is being paid wholly from the Personnel Services budget.

The term “officials” as used in this Circular shall refer to those holding local elective positions.

- 2.2 The implementation of this Circular shall be done in close coordination with the AO 25 Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (AO 25 IATF).

### **3.0 ELIGIBILITY CRITERIA**

3.1 The LGU of Itogon-Must satisfy all of the following conditions:

- a. Pass all four (4) core assessment areas of the FY 2017 Seal of Good Local Governance (DIL Memorandum Circular No. 2017-53), namely Financial Administration, Disaster Preparedness, Social Protection and Peace and Order; and the Business-Friendliness and Competitiveness essential assessment;
- b. 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;

- b.1. Maintain/update the Citizen's or Services Charter or its equivalent, reflecting the agency's enhance service standards for all its front line services to citizens, businesses, and government agencies;
  - b.2. Conduct self-assessment and reporting of improvements made by the local government unit to implement the CSC Memorandum Circular NO. 14 s. 2016. The local government unit needs to target all possible actions/measures to reach the enhance service standards in 2018 should events/factors prevent it from reading these in 2017.
  - c. Use of a fully-functional Strategic Performance Management System (SPMS) as approved and certified by the Civil Service Commission (CSC); and
  - d. Full compliance with at least 30% of prior years' audit recommendations, as shown in the report on status of implementation of prior years' recommendations of the Annual Audit Report (AAR) for FY 2015. The objective is to improve the local government unit's internal control processes, operate effectively, and eliminate most, if not all, of these audit findings which should be resolved and remedied by the end of 2019.
- 3.2 Non-compliance to any of the conditions prescribed in Section 3.1 will render the entire LGU ineligible for the PBB.

#### **4.0 ENROLMENT AND VALIDATION PROCESS**

- 4.1. The grant of the FY 2017 PBB to LGUs is not mandatory and will be implemented through an enrolment process.
- 4.2. LGUs who intend to participate in the grant of the FY 2017 PBB shall signify their intention by writing a letter of intent addressed to the DILG Regional Director concerned through the following DILG field officers:
  - a. DILG Provincial Director for Provinces;
  - b. City Director or City Local Government Operations Officer (CLGOO) for cities; and Municipal Local Government Operations Officer for Municipalities (MLGOO).

The DILG Regional Director shall officially transmit the letters of intent to the DILG Central Office through the Bureau of Local Government Supervision (BLGS) not later than June 30, 2017.
- 4.3. The BLGS shall consolidate and prepare a Master List of LGUs who signified their intentions to participate. From this list, the BLGS will validate compliance with item 3.1a hereof and submit the list of LGUs who satisfied this criterion to the AO25 Secretariat. The AO25 Secretariat shall advise the CSC to validate the compliance with items 3.1b and 3.1c, and the COA to validate compliance with item 3.1d.
- 4.4. The AO25 Secretariat shall consolidate the findings submitted by the validating agencies on the compliance of the LGUs on all the eligibility criteria. The AO25 Secretariat shall then prepare an official list containing the names of the LHUs eligible the grant of two FY 2017 PBB and transmit the official list to the BLGS together with the Certification of Compliance Issued by each validating agency by Jan. 2018.
- 4.5. The DILG shall issue a Notice of Final Eligibility by February 2018, to all the LGUs who were able to comply with all the eligibility criteria.
- 4.6. Only the LGUs that received the Notice of Final Eligibility from the DILG shall be eligible to the grant of the FY 2017 PBB.
- 4.7. The list of Eligible LGUs shall be posted in the Results-Based Performance Management System (RBPMS) and DILG websites.

#### **5.0 Eligibility of Individuals**

- 5.1 The Local chief executive and the Sanggunian Members are eligible only if our municipality is eligible. Their maximum PBB rate shall be 65% of their monthly basic salary.

- 5.2 Employees belonging to the First and Second level should receive a rating of at least “Satisfactory” for the year 2017 based on the CSC-approved SPMS.
- 5.3 Personnel who transferred to a local government unit from another government agency in FY 2017 shall be rated and ranked by the agency/LGU where she/he served the longest. If equal months were served for each, he/she will be included in the recipient agency.
- 5.4 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.
- 5.5 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;

| <b>Length of Government Service</b> | <b>% of PBB Rate</b> |
|-------------------------------------|----------------------|
| 8 months but less than 9 months     | <b>90%</b>           |
| 7 months but less than 8 months     | <b>80%</b>           |
| 6 months but less than 7 months     | <b>70%</b>           |
| 5 months but less than 6 months     | <b>60%</b>           |
| 4 months but less than 5 months     | <b>50%</b>           |
| 3 months but less than 4 months     | <b>40%</b>           |

- 5.6 An official or 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.
- 5.7 Officials and employees found guilty of administrative and/or criminal cases by final and executory judgment in FY 2017 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.
- 5.8 Officials and employees **who failed to submit 2016 SALN** as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015, shall not be entitled to the FY 2017 PBB.
- 5.9 Officials and employees who **failed to liquidate cash advances** for all domestic and foreign travels received in FY 2017 within the reglementary period (one month), as prescribed in COA Circular 97-002 dated February 10, 1997 and reiterated in COA Circular 2009-0021 dated May 18, 2009, shall not be entitled to the FY 2017 PBB.
- 5.10 Employees who **failed to submit their complete SPMS Forms Individual Performance Commitment Report (IPCR)** shall not be entitled to the FY 2017 PBB.
- 5.11 Heads of departments, offices or delivery units **should ensure** that officials and employees covered by Republic Act No. 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.**
- 5.12 Officials and employees responsible for the non-compliance of prior years’ audit-recommendation shall not be entitled to the FY 2017 PBB. (See also item 3.1d)
- 5.13 Officials and employees responsible for posting and dissemination of the local government unit system of ranking performance of delivery units shall not be entitled to the FY 2017 PBB if the local government unit fails to comply.

**6.0 Ranking of Delivery Units of the Municipality**

- 6.1 The municipality that meet the criteria and conditions in Section 3.1 are eligible to the FY 2017 PBB. Departments, offices or delivery units eligible to the PBB shall be forced ranked according to the following categories:

| <b>Ranking</b> | <b>Performance Category</b>                | <b>Adjectival Rating</b>      | <b>Numerical Rating<br/>(OPCR Average Rating for<br/>two semesters)</b> |
|----------------|--|-------------------------------|---|
| Top 10%        | Best department/office/<br>delivery unit   | (BEST)<br>Outstanding         | 4.51 % and above  |
| Next 25%       | Better department/office/<br>delivery unit | (BETTER)<br>Very Satisfactory | 3.51% to 4.5%   |
| Next 65%       | Good department/office/<br>delivery unit   | (GOOD)<br>Satisfactory        | 2.5% to 3.5%  |

A delivery unit shall refer to the primary subdivision of a local government unit performing substantive line functions, technical services or administrative support, as reflected in the LGU's organizational structure and /or functional chart.

- 6.2 Only the personnel belonging to eligible departments, offices or delivery units are qualified for the PBB (refer to exclusion of individuals as cited in Section 5)
- 6.3 The ranking of departments, offices or delivery units shall be **based on the accomplished CSC Approved SPMS Rating Forms for 2017.**
- 6.4 The Human Resource Department and the Planning and Development Office shall take the lead in the consolidation of ratings and ranking of the departments, offices and delivery units. The results of the ranking shall be indicated in LGU-PBB Form 1 (Annex I). There shall no longer be a ranking of individual within a department/office/delivery unit.
- 6.5 The rules that will be used for ranking must be posted in the bulletin board of the human Resources Department of each LGU or in the website of the LGU.

## 7.0 RATES OF PBB

The rates of the PBB for each individual shall be based on the performance ranking of the department/office/delivery unit where they belong, with the rate of incentive as a multiple of the individual's monthly basic salary based on the table below:

| <b>Performance Category</b>            | <b>Multiple of Basic Salary</b> |
|--|---------------------------------|
| Best department/office/delivery unit   | 0.65%                           |
| Better department/office/delivery unit | 0.575%                          |
| Good department/office/delivery unit   | .50%                            |

If funds are insufficient for the grant of the PBB at the above rates, the PBB may be given at lower , but at uniform percentage of the prescribed rates.

## 8.0 Founding Sources

The PBB shall be charged against LGU funds for FY 2018, subject to the Personnel Services limitation in LGU budgets pursuant to Sections 325(a) and 331(b) of the Local Government Code of 1991 (R.A. No. 7160).

The LGU shall exercise prudence in the use of local funds. In determining the amount of the PBB, the Sanggunian concern shall ensure that the same is reasonable and that the expenditure will not, in any way, adversely affect the delivery of services to the public.

**9.0 Submission of Accomplished Forms**

- 9.1 The Human Resource Department of Itogon Municipality shall accomplish LGU-PBB Form No. 1 (Annex 1), for record and policy-making purposes.
- 9.2 The accomplished LGU-PBB Form 1 shall be submitted by the end of April 2018 to the following personnel:
- a) Municipal Local Government Operations Officer (MLGOO);

The Municipal Local Government Operations Officer (MLGOO) shall transmit all accomplished Form 1 to the concern Provincial Director through the designated LGU-PBB Focal Person.

- 9.3 The designated LGU-PBB Provincial Focal Person shall accomplish LGU-PBB Form 2 (Annex 2) and submit the accomplished forms together with all accomplished Form 1 (Annex 1) to the concerned DILG Regional Offices through the designated LGU-PBB Regional Focal Person
- 9.4 The designated LGU-PBB Regional Focal Person shall accomplish LGU-PBB Form 3 (Annex 3) and submit the same together with LGU-PBB Form 2 (Annex 2) to the BLGS.
- 9.5 Duly-accomplished LGU-PBB Forms 1 and 2 must be submitted to the BLGS on or before May 31, 2018.

- 10.1 Payment of the FY 2017 PBB shall be made not earlier than March 2018.

Let copies of this Administrative Order be forwarded to the Sangguniang Bayan Office for Adoption, The Department of Interior and Local Governments (DILG) and all Department Heads and Heads of Offices of this Local Government Unit and to be posted in our Municipal Bulletin Board for proper information.

**DONE** this 2<sup>nd</sup> of October 2017 at Itogon Benguet Province.

  
**ATTY. VICTORIO T. PALANGDAN**  
Municipal Mayor

Cf:

-all concern  
-hrmo file