



## **Guidelines/Mechanics on Qualifying Offices/Delivery Units and Eligibility of Individuals for the Grant of Performance-Based Bonus (PBB) for FY 2023**

(Based on IATF Memorandum Circular 2023-1 dated 22 August 2023 and LWUA/DBM Joint Circular 2021-1 dated 19 October 2021)

### **1.0 PURPOSE**

Baguio Water District (BWD) hereby adopts LWUA/DBM Joint Memorandum Circular No. 2021-1 dated 19 October 2021 pursuant to the Inter-Agency Task Force on Harmonization of National Government Performance Monitoring, Information and Reporting Systems prescribing the guidelines on the grant of performance-based bonus (PBB) for Fiscal Year (FY) 2023 under Executive Order No. 80, S. 2012 and Executive Order No. 201 S. 2016.

The guidelines are established to prescribe the criteria and conditions on the grant of the PBB for FY 2023 performance, to be given in FY 2024. Achieving a prosperous, inclusive, and resilient society through economic transformation requires the practice of open, efficient, and accountable governance. In pursuit of the goal of the Philippine Development Plan (PDP) 2023-2028 to practice good governance and improve bureaucratic efficiency, the FY 2023 PBB will contribute to raising the productivity, performance, transparency, and accountability of government agencies and employees, using the enhanced Results-based Performance Management System and the simplified Performance-based Incentive System.

### **2.0 COVERAGE**

The FY 2023 PBB covers the personnel of BWD holding permanent and casual positions. Excluded are individuals engaged without employer-employee relationship and funded from non-personnel services budget. Also, excluded are LWDs with Joint Venture Agreement which covers the entire operation of the LWD's facilities and services.

### **3.0 ELIGIBILITY CRITERIA**

To be eligible for the grant of FY 2023, BWD must satisfy the following eligibility requirements:

1. Compliance with the following Philippine National Standards for Drinking Water (PNSDW) requirements:
  - a) Monthly summary of daily residual chlorine test results;
  - b) Water quality reports must have twelve (12) months of compliance with microbiological test results; and
  - c) Compliance with physical-chemical test results of the District's source/s;
2. Current in Debt Service Status;
3. LWUA-approved Water Rates;
4. Compliance with ISO-certification or its equivalent for LWD's under Category A;



5. On-time submission of the following documents prior to the evaluation of its eligibility to FY 2023 PBB:

- Monthly Data Sheet and Financial Statements (January to December 2023);
- Approved BWD FY 2023 Budget;
- Updated Business Plan covering FY 2023; and
- FY 2023 Annual Report.

BWD must also satisfy the criteria and conditions under the four (4) dimensions of accountability: Performance Results, Process Results, Financial Results and Citizen/Client Satisfaction Results and attain a total score of at least 70 points based on the PBB Scoring System.

In the context of the FY 2023 PBB, the following shall be the definition of the four (4) dimensions of accountability:

### **3.1 Performance Results** - Accomplishment of Performance Targets under the Major Final Output

- Major Final Output (MFO) – are the goods or services that a water district is mandated to provide to its external clients through the implementation of programs, activities, and projects. It may be a single output or group of outputs targeted at the same organizational/sectoral outcome and capable of being summarized by a common performance indicator.
- Performance Indicator (PI) – a characteristic of performance (quality, quantity, timeliness, or cost) that is to be measured and will illustrate the standard by which a water district is expected to deliver its MFO. Performance Indicators should be verifiable, observable, credible, and sustainable.
- Performance Target (PT) – predetermined numerical target level of performance (quantity, quality, timeliness, and cost of an output) against which actual performance can be compared.
- Delivery Units (DUs) – departments and divisions of the LWD responsible for the achievement of the LWD's MFO and are committed to the performance targets that are tracked through a reporting system within the year and verified by LWUA.
- Potability – the quality of water that renders it safe and fit for human consumption. LWDs performance concerning this indicator (residual chlorine) shall mean compliance to the PNSDW and all issuances and guidelines issued by the DOH and LWUA.
- Adequacy and Reliability of Service – performance of LWDs rated in accordance with the 24/7 availability of supply and the capacity to meet the present and future water demand.
- Access and Coverage – performance of LWDs in pursuing the goal of providing water access and service to the greater percentage of the population within their respective service areas.
- Coronavirus Disease 2019 (COVID-19) Pandemic Response Measure – performance of LWDs in undertaking resiliency programs such as handwashing facilities, water delivery services, public information drives, sanitation and hygiene activities, disinfection initiatives, issuance of health protocols, and other resiliency programs to mitigate the COVID-19, among others.



**3.2 Process Results** - Achievements in ease of doing business (EODB) /ease of transaction with the LWDs as a result of streamlining, standardization (i.e. through ISO-certified QMS or its equivalent), digitization, and related improvements in the delivery of services.

**3.3 Financial Results** – Financial viability and sustainability of LWDs as indicated by the liquidity ratio, which determines the capacity to meet short-term obligations (current ratio), positive net income balance, and collection performance (collection efficiency).

**3.4 Citizen/Client Satisfaction Results** – Achievements of the LWDs in satisfying the quality expectations of the transacting public.

**4.0 FY 2023 PBB TARGETS, ASSESSMENT AND SCORING SYSTEM**

The BWD accomplishments for each criterion shall be rated using the scoring system as shown in Table No. 01 below. The total maximum score that the BWD may obtain is 100 points.

To be eligible for the FY 2023 PBB, BWD must attain a total score equivalent to at least 70% of each criterion, except for the Process Results, and an overall total score of at least 70 points.

**Table No. 01**

CRITERIA	MAX PTS	CONDITION
A. Performance Results	70	Actual points must be at least 49
B. Process Results	7	Compliance would automatically render 7 points; non-compliance would result in ineligibility to FY 2023 PBB
C. Financial Results	10	Actual points must be at least 7
D. Client/Citizen Satisfaction Results	13	At least 70% of the complaints must be acted upon, with the following equivalent points: At least 70% = 7 At least 75% = 8 At least 81% = 9 At least 86% = 10 At least 91% = 11 At least 94% = 12 At least 97% = 13
TOTAL	100	Overall Total Score must be at least 70 points

In such a case, while the LWD will be eligible, the unit/s most responsible for the criterion/MFOs with a performance below 70% will be isolated from the grant of the FY 2023 PBB.

**4.1 Performance Results.** The targets under the Performance Results will enable BWD to concentrate their efforts and available resources on their mandates and core functions and ensure delivery of high quality and high impact activities.





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The Performance Results shall be assessed and scored as follows:

CRITERIA	MAX PTS	CONDITION
Performance Results Maior Final Outputs (MFOs):	70	Actual points must be at least 49
a. Access to Potable Water	12	
b. Reliability of Service (24/7 supply)	6	
c. Adequacy	6	
d. COVID-19 Response Measures	5	
e. Non-Revenue Water	12	
f. Potability (Chlorine Residual)	5	
g. Adequacy & Reliability of Service (Response time to restore service)	5	
h. Staff Productivity Index	4	
i. Water Quality Reports (Bacteriological/Physical & Chemical)	15	

**4.2 Process Results.** The target under Process Results is the greater ease of transaction of frontline services covering all government-to-citizens (G2C), government-to-business (G2B), and government-to-government (G2G) transactions. This may be achieved through streamlining, especially of frontline services; standardization of frontline processes.

For BWD, the target is to assure the quality-of-service delivery through the ISO 9001:2015 certified QMS for frontline services.

Compliance with the criteria would automatically render seven (7) points for the Process Results. However, failure to do so would result in the ineligibility of the District to the FY 2023 PBB.

CRITERIA	MAX PTS	CONDITION
Process Results: ISO 9001:2015-certified QMS	7	Compliance would render 7 points; non-compliance would result to ineligibility of the District to the FY 2023 PBB.

**4.3 Financial Results.** The requirements under the Financial Results shall be scored as follows:

CRITERIA	MAX PTS	CONDITION
Financial Results: Collection efforts and financial performance	10	Actual points must be at least 7
a. Collection Efficiency	3	
b. Current Ratio	4	
c. Positive Net Balance in the Ave. Net Income for twelve (12) months	3	

**4.4 Citizen/Client Satisfaction Results.** Achieve the Citizen/Client Satisfaction through acting on requests/complaints received directly by BWD and resolution of reported complaints from Hotline #8888, Contact Center ng Bayan (CCB), and



the Presidential Complaint Center (PCC). The BWD shall ensure resolution of all complaints and grievances on government service procedures, acts of red tape, corruption, and/or other interferences to public service delivery by any government agency, individuals, or instrumentalities reported to Hotline #8888, CCB, and PCC. To provide evidence on this, the BWD shall submit a report summarizing the complaints they have received and those received by Hotline #8888, CCB, and PCC in FY 2023, as well as the status of the same (if resolved or pending).

The requirements under the Citizen/Client Satisfaction Results shall be scored as follows:

CRITERIA	MAX PTS	CONDITION
Citizen/Client Satisfaction Results: a. Hotline #8888 b. Contact Center ng Bayan (CCB) c. Presidential Complaint Center (PCC) d. Direct requests/ complaints to BWD	13	At least 70% of the complaints must be acted upon, with the following equivalent points: At least 70% = 7 At least 75% = 8 At least 81% = 9 At least 86% = 10 At least 91% = 11 At least 94% = 12 At least 97% = 13

5.0 BWD ACCOUNTABILITIES

The following conditions are no longer required in determining the overall PBB eligibility of agencies, however compliance with these conditions shall be used as basis in determining eligibility of units and individuals:

- a. Updating of Transparency Seal
- b. Compliance to Audit Findings and Liquidation of Cash Advances
- c. Compliance with the Freedom of Information (FOI) Program
- d. Updating of Citizen's or Service Charter
- e. Establishment and Conduct of the Agency Review and Compliance of Statement of Assets, Liabilities, and Net Worth (SALN)
- f. PhilGEPS posting of all invitations to bids and awarded contracts
  - Notices of Award/Bid Results, Actual Approved/Awarded Contracts, and Notices to Proceed/Purchase Orders for public bidding transactions above one million (P1,000,000.00)
- g. Submission and Posting of FY 2023 Non- Common Use Supplies and Equipment (APP-Non CSE), FY 2024 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE), and Indicative FY 2024 APP-Non CSE
- h. Designation of the Agency's Committee on Anti-Red Tape (CART)
- i. Administered Client Satisfaction Measurement (CSM)
- j. Report on the digitalization initiatives or digital transformation of external and internal services

BWD should submit these legal requirements directly to the oversight agencies.



## 6.0 ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

- 6.1 For FY 2023 PBB, the delivery units (DUs) of BWD shall no longer be ranked. However, the unit/s most responsible (including its head) for the criterion/MFOs with a performance below 70% and for non-compliance with the Agency Accountabilities will also be isolated from the grant of the FY 2023 PBB. Based on Table 01, to be eligible for the FY 2023 PBB, BWD must attain a total score of at least **70 points**.
- 6.2 Eligible Delivery Units shall be granted FY 2023 PBB at uniform rates across BWD, including its officials and employees. The corresponding rates of the PBB shall be based on the BWD's achieved total score, as shown in Section 7.0.
- 6.3 The General Manager of BWD is eligible only if BWD is eligible. If eligible, his PBB rate for FY 2023 shall be equivalent to the rate as stated in Section 7.0 and shall be based on his monthly basic salary as of December 31, 2023.
- 6.4 The Board Members of BWD may be eligible to the PBB subject to the following conditions:
  - a. The BWD has qualified for the grant of FY 2023 PBB;
  - b. The Board member has 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary;
  - c. The Board Member has eleven (11) months aggregated service in the position;
  - d. The BWD has submitted the appropriate annual Board-approved Corporate Operating Budget to LWUA; and
  - e. Submission of Board Member's FY 2023 accomplishments (policies or resolutions made that will help address the operations as well as the guidelines of the BWD).
- 6.5 To be eligible for FY 2023 PBB, employees belonging to the First, Second and Third Levels should receive a rating of at least **"Very Satisfactory"** based on the agency's CSC-approved Strategic Performance Management System (SPMS).
- 6.6 Personnel in detail to another government agency for six (6) months or more shall be included in the recipient agency that rated his/her performance. The payment of the PBB shall come from the mother agency.
- 6.7 Personnel who transferred from one government agency to another agency shall be included 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.
- 6.8 Officials and employees who transferred from government agencies that are non-participating in the implementation of the PBB shall be rated by the agency where he/she served the longest; the official/employee shall be eligible for the grant of the PBB on a pro-rata basis corresponding to the





actual length of service to the participating implementing agency, as stated in Section 6.10.

- 6.9 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least a Very Satisfactory rating may be eligible for the full grant of the PBB.
- 6.10 An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least a Very Satisfactory rating shall be eligible for the grant of the 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%
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
  - 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; and/or
  - h. Sabbatical Leave.
- 6.11 An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible for the grant of PBB.
- 6.12 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2023 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.
- 6.13 Officials and employees who failed to submit 2023 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY 2023 PBB.
- 6.14 Officials and employees who failed to liquidate all cash advances received in FY 2023 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, shall not be entitled to the FY 2023 PBB.



7.0 RATES OF THE PBB

TABLE 6: RATES OF THE PBB	
TOTAL SCORE	PBB RATES
100 points	65% (100% of the 65% monthly basic salary)
95 points	61.75% (95% of the 65% monthly basic salary)
90 points	58.5% (90% of the 65% monthly basic salary)
85 points	55.25% (85% of the 65% monthly basic salary)
80 points	52% (80% of the 65% monthly basic salary)
75 points	48.75% (75% of the 65% monthly basic salary)
70 points	45.5% (70% of the 65% monthly basic salary)

8.0 TIMELINES & SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

- 8.1 BWD shall submit Form A and A1 as evidence of accomplishments of Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results (as provided in Section 4.0) on or before March 31, 2024.
- 8.2. The AO25 IATF shall conduct spot checks to validate claims and certifications made by the BWD on the submitted/posted reports and/or requirements.
- 8.3 BWD is encouraged to provide information to the AO 25 Secretariat on compliance with the BWD Accountabilities provided in Section 5.0.

9.0 EFFECTS OF NON-COMPLIANCE

A LWD, which, after due process by the oversight agency, has been determined to have committed a prohibited act, shall be disqualified from the PBB in the succeeding year of its implementation.

Moreover, the CSC and Ombudsman shall file the appropriate administrative case for misrepresentation in the submitted/posted reports and requirements for the PBB, a commission of fraud in the payment of the PBB, and violation of the provisions of this Circular.

10.0 COMMUNICATION AND CHANGE MANAGEMENT

- 10.1 The General Manager, with the support of his PMTs, should enhance the implementation of their internal communication strategy on the PBB and fulfill the following:
- a. Engage their respective employees in understanding the PBB, the performance targets of the BWD, and the services and outputs they will need to deliver to meet these targets.

b. Disseminate the performance targets and accomplishments to BWD employees through internet and other means and publish these on their respective website for the public's information.





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- c. Set up a Help Desk to respond to queries and comments on the targets and accomplishments. The Help Desk may be a facility that is embedded in the website of BWD.
- d. Set up a Complaints Mechanism to respond to the PBB-related issues and concerns raised by officials and employees which may be incorporated in the functions of the Grievance Committee.

10.2 The General Manager shall designate a senior official who shall serve as a PBB focal person. In addition, the offices responsible for the performance management may be tasked to provide secretariat support to the PMT and recommend strategies to instill a culture of performance within the agency. The name, position, and contact details (e-mail, landline, facsimile, cellular phone) of the PBB focal person should be submitted to the A025 Secretariat.

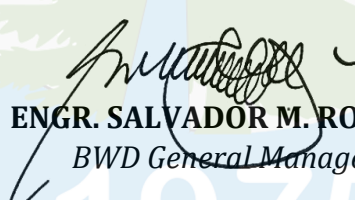
## 11.0 FUNDING SOURCE

11.1 The PBB of shall be sourced from the BWD corporate funds.

11.2 BWD is prohibited to source payment of the PBB from the following:

- a. Loans;
- b. Subsidy from the National Government for BWD operations; and
- c. Sale of the BWD assets for the sole purpose of paying the PBB and is otherwise not in the ordinary course of business.

These guidelines shall take effect immediately and shall remain in force unless revoked, cancelled, or superseded by a subsequent issuance.

  
**ENGR. SALVADOR M. ROYECA**  
*BWD General Manager*