



Republic of the Philippines
BACOLOD WATER DISTRICT
Bacolod Lanao del Norte
TIN 004-367-022
CCC No. 543

**GUIDELINES / MECHANICS ON QUALIFYING OFFICES / DELIVERY UNITS AND
ELIGIBILITY OF INDIVIDUALS FOR THE GRANT OF PERFORMANCE –BASED BONUS
(PBB) FY 2023**

(Based on IATF Memorandum Circular 2023-1 dated August 22, 2023)

1.0 PURPOSE

Bacolod Water District (BWD) hereby adopts Memorandum Circular No. 2023-1 dated August 22, 2023 pursuant to the Inter-Agency Task Force (IATF) 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. The overarching goal of the PBB is to strengthen the effectiveness of the incentives system to help agencies achieve the mission-critical objectives and expected outcomes of the government. For FY 2023 cycle, the PBB criteria and conditions were hence refined in order to:

- Simplify the PBB process particularly the validation of compliance
- Provide flexibility to the agencies in the implementation of scheme
- Reinforce results focus & their linkages in assessing overall performance of agencies
- Administer a more transparent PBB scoring system
- Strengthen the role of agencies in ensuring accountability of units responsible for the criteria and conditions; and
- Facilitate the timely release of incentives to eligible agencies

FY 2023 PBB shall measure and evaluate the performance of agencies with emphasis on the public's satisfaction on the realization of the agencies' performance targets, quality of service delivery, efficiency in the use of resources, and strengthened agency stewardship.

In relation to the targets in previous PBB cycles, the FY 2023 PBB criteria and conditions shall be categorized according to four (4) dimensions of Accountability.

- Performance Results
- Process Results
- Financial Results
- Citizen/Client Satisfaction Results

Requirements set forth in the Good Governance Conditions shall no longer be included in the criteria to assess the overall eligibility of the agency in the FY 2023 PBB but compliance

of such shall be used as basis in determining the eligibility of responsible units and individuals. Monitoring of their compliance shall be the primary responsibility of the Heads of Agencies and it should be submitted directly to the oversight agencies.

The modification on the PBB assessment process to make the PBB scoring system clear and explicit are specified in the Circular. The scoring system aims to simplify and make the final eligibility assessment more transparent, and enable LWDs to undertake self-assessment vis-à-vis the criteria and conditions to ascertain if they could qualify for the grant of the FY 2023 PBB. However, the AO 25 Inter-Agency Task Force (AO 25 IATF) shall still determine the final eligibility of agencies.

2.0 COVERAGE

The FY 2023 PBB covers the personnel of BWD holding permanent and casual positions. Excluded are individual 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 LWDs 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:
 - a. Monthly Data Sheet and Financial Statements (January to December 2023);
 - b. Approved BWD FY 2023 Budget;
 - c. Updated Business Plan covering FY 2023; and
 - d. 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 Outputs

- 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.
- Corona virus Disease 2019 (COVID-19) Pandemic Response Measure – performance of LWDs in undertaking resiliency programs such as wash hands 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.

3.2 Process Results – Achievements in ease of doing business/ease of transaction with the LWDs as a result of streaming, standardization, 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 is scoring system. Each criterion has an assigned point, as shown in Table No. 01. 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 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 A 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.

The Performance Results shall be assessed and scored as follows:

| CRITERIA | MAX PTS | CONDITION |
|---|---------|-----------------------------------|
| Performance Results Major Final Outputs (MFOs) | | 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.

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 | CONDITIONS |
|------------------|---|
| Process Results: | Compliance would render 7 points; non-compliance would result to ineligibility to 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: | | Actual points must be at least 7 |
| a. Collection Efficiency | 3 | |
| b. Current Ration | 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:

| CRITERION | MAX PTS | CONDITION |
|--|---------|--|
| Citizen/Client Satisfaction Results: | 1.3 | At least 70% of the complaints must be acted upon, with the following equivalent points: |
| a. Hotline #8888 | | At least 70% = 7 |
| b. Contact Center ng Bayan (CCB) | | At least 75% = 8 |
| c. Presidential Complaint Center (PCC) | | At least 81% = 9 |
| d. Direct requests/complaints to BWD | | At least 86% = 10 |
| | | At least 91% = 11 |
| | | At least 94% = 12 |
| | | At least 97% = 13 |

5.0 BWD ACCOUNTABILITIES

To sustain the institutionalization of compliance to existing government-mandated laws and standards, BWD and the Performance Management Team (PMT), shall continue to implement, monitor, and enforce compliance with the following requirements:

| | |
|---|---|
| a. Updating of Transparency Seal | f. PhilGEPS posting of all invitations to bids and awarded contracts |
| b. Compliance with the Freedom of Information (FOI) Program | g. Submission of FY 2024 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE), FY 2023 Non-Common Use Supplies and Equipment |

| | |
|--|---------------------------------------|
| | (APP-non CSE). Indicative FY 2024 APP |
| c. Updating of Citizen's or Service Charter | |
| d. Compliance to Audit Findings and Liquidation of Cash Advances | |
| e. Submission and Review of SALN | |

While the conditions mentioned above are no longer required in determining the overall PBB eligibility of BWD, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals. 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 for deficiencies shall be isolated.

Based on Table 01, to be eligible for the FY 2023 PBB, BWD must attain a total score of at least 70 points.

The unit/s most responsible (including its Head) for the non-compliance with the BWD Accountabilities provided in Section 5.0 will also be isolated from the grant of the FY 2023 PBB.

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 executor 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 2022 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 TIMELINESS & 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.
- 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 with the agency. The name, position, and contact details (e-mail, landline, facsimile, cellular phone) of the PBB focal person should be submitted to the AO25 Secretariat.

11.0 FUNDING SOURCE

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

11.2 LWDs are prohibited to source payment of the PBB from the following:

- a. Loans;
- b. Subsidy from the National Government for LWD operations; and
- c. Sale of the LWD 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. NOEL L. RESABAL
BWD General Manager