



GUIDELINES / MECHANICS ON THE GRANT OF PERFORMANCE BASED BONUS (PBB) FOR FISCAL YEAR 2023

In view of the Local Water Utilities Administration (LWUA) – Department of Budget and Management (DBM) Joint Memorandum Circular No. 2023-1, the Inter-Agency Task Force (AITF) on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems Memorandum Circular No. 2023-1, and Executive Order No. 80, the following **Guidelines/Mechanics on the Grant of Performance-Based Bonus for the Year 2023** is hereby proposed for adoption.

1.0 PURPOSE

As Digos Water District (DWD) shall be evaluated based on the criteria and conditions set forth in LWUA-DBM Joint MC No. 2023-1 according to four (4) dimensions of accountability: **Performance Results, Process Results, Financial Results** and **Citizen/Client Satisfaction Results**, thus, this guideline is being issued to prescribe the criteria and conditions to measure and evaluate delivery units and individuals for the grant of PBB for FY 2023 performance.

2.0 COVERAGE

Personnel of DWD holding regular, contractual, and casual positions are covered by this guideline. Excluded from the coverage herein are individuals engaged without employer-employee relationship and funded from non-Personnel Services budget.

3.0 ELIGIBILITY CRITERIA

To be eligible for the grant of the FY 2023 PBB, DWD must first 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. Twelve (12) months of compliance with microbiological test results; and
 - c. Compliance with physical-chemical tests results of the DWD's source/s
2. Current in Debt Service Status with LWUA;
3. Existing LWUA-LWD Joint Savings Account for Reserves (for LWD with existing LWUA-LWD Loan Contract), or General Reserves (for LWD without LWUA Loan);
4. Positive Net Balance in the Average Net Income for twelve (12) months for FY 2023;

5. LWUA-approved Water Rates;
6. Compliance with Commercial Practices System;
7. 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 DWD FY 2023 Budget;
 - c. Updated Business Plan covering FY 2023; and
 - d. FY 2023 Annual Report

DWD must also satisfy the criteria and conditions under the four dimensions of accountability and attain a total score of at least 70 points based on the PBB Scoring System.

3.1 Performance Results

In the context of the FY 2023 PBB, the Performance Results refer to the accomplishment of the LWD targets under the Major Final Outputs (MFO).

3.2 Process Results

Refer to the achievements in ease of transaction with the water district as a result of streamlining, standardization, through compliance with the Commercial Practice System (CPS).

3.3 Financial Results

Refer to financial viability and sustainability of DWD 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

These results refer to the achievements of DWD in satisfying the quality expectations of the transacting public.

4.0 FY 2023 PBB TARGETS, ASSESSMENT, AND SCORING SYSTEM

DWD accomplishments for each criterion shall be rated using the following scoring system. Each criterion has an assigned point, as shown in Table No. 01. The total maximum score is 100 points. Therefore, to be eligible for the FY 2023 PBB, DWD must attain a total overall score of at least 70 points.

TABLE NO. 01 – SCORING SYSTEM FOR FY 2023 PBB FOR LWDS

CRITERIA	MAX PTS	CONDITION
a. Performance Results	70	Actual points must be at least 49
b. Process Results	7	At least 90% Compliance with the Commercial Practice System (CPS) will render 7 points; below 90% will result in isolation
c. Financial Results	10	Actual points should 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 case DWD obtains an overall score of at least 70 points, but fails to achieve at least 70% of each rating for Performance, Financial and Client/Citizen Satisfaction Results, the unit/s most responsible will be isolated from the grant of the FY 2023 PBB. For the Process Results, less than 90% compliance will result in isolation.

4.1 **Performance Results.** The Performance Results shall be assessed and scored as follows:

TABLE NO. 02 – RATING SCALE FOR PERFORMANCE RESULTS

CRITERIA	MAX PTS	SCORE	DESCRIPTION
Major Final Outputs (MFOs)			<i>Actual total points should be at least 49</i>
a. Access to Potable Water	12	12	Accomplished 100% of target or more
		0	Accomplished less than 100% of target
b. Reliability of Service (24/7 supply)	6	6	Accomplished 100% of target or more
		0	Accomplished less than 100% of target
c. Adequacy	6	6	Accomplished 100% of target or more
		0	Accomplished less than 100% of target
d. Submission of Water safety Plan	5	5	Submitted the required document
		0	Not submitted the required document
e. Non-Revenue Water	12	12	Accomplished 100% of target or more
		0	Accomplished less than 100% of target
f. Potability (Chlorine Residual)	5	5	100% compliance with PNSDW and all issuances and guidelines issued by the Department of Health and LWUA
		0	Less than 100% compliance with PNSDW and all issuances and guidelines issued by the Department of Health and LWUA
g. Adequacy & Reliability of Service (Response time to restore service)	5	5	Accomplished 100% of target or more
		0	Accomplished less than 100% of target
h. Staff Productivity Index	4	4	Accomplished 100% of target or more
		0	Accomplished less than 100% of target
i. Water Quality Reports (Bacteriological/Physical & Chemical)		15	Submitted 100% of reports
		0	Submitted less than 100% of reports

4.2 **Process Results.** For DWD, the target is to assure the quality of service delivery through its compliance with its respective Commercial Practice System (CPS).

TABLE NO. 03 – RATING SCALE FOR PROCESS RESULTS			
CRITERIA	MAX PTS	SCORE	DESCRIPTION
Compliance with CPS	7	7	At least 90% compliance with Commercial Practice System (CPS)
		0	Less than 90% compliance with Commercial Practice System (CPS)

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

TABLE NO. 04 – RATING SCALE FOR FINANCIAL RESULTS			
CRITERIA	MAX PTS	SCORE	DESCRIPTION
Collection efforts and financial performance			<i>Actual points should be at least 7</i>
a. Collection Efficiency	4	4	Accomplished 100% of target or more
		0	Accomplished less than 100% of target
b. Current Ratio	3	3	Accomplished 100% of target or more
		0	Accomplished less than 100% of target
c. Positive Net Balance in the average Net Income for twelve months	3	3	Positive Net Balance in the average Net Income
		0	Negative Net Balance in the average Net Income

4.4 **Citizen/Client Satisfaction Results.** Achieve the Citizen/Client Satisfaction through acting on requests/complaints received directly by DWD (in-house) and resolution of reported complaints from Hotline #8888, Contact Center ng Bayan (CCB) and the Presidential Complaint Center (PCC) and/or Presidential Action Center (PACe). DWD shall ensure the 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 and/or PACe. To provide evidence on this DWD shall submit a report summarizing the complaints they have received and those received by Hotline #8888, CCB, and PCC and/or PACe in FY 2023, as well as the status of the same, i.e., if resolved or pending.

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

TABLE NO. 05 – RATING SCALE FOR CITIZEN/CLIENT SATISFACTION RESULTS			
CRITERIA	MAX PTS	SCORE	DESCRIPTION
% of complaints from the following are acted upon: a. Hotline #8888 b. Contact Center ng Bayan (CCB) c. Presidential Complaint Center (PCC) and or Presidential Action Center (PACe) d. Direct requests/ complaints to the water district (<i>in-house</i>)	13	13	At least 97% of all the complaints are acted upon
		12	At least 94% of all the complaints are acted upon
		11	At least 91% of all the complaints are acted upon
		10	At least 86% of all the complaints are acted upon
		9	At least 81% of all the complaints are acted upon
		8	At least 75% of all the complaints are acted upon
		7	At least 70% of all the complaints are acted upon
		0	Less than 70% of all the complaints are acted upon

5.0 AGENCY ACCOUNTABILITIES

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

- a. Updating of Transparency Seal
- b. Compliance with Audit Findings and Liquidation of Cash Advances
- c. Compliance with the Freedom of Information (FOI) Program
- d. Establishment and Conduct of Agency Review and Compliance of Assets, Liabilities, and Net Worth (SALN)
- e. 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 (Php1,000,000.00)
- f. FY 2023 Non-Common Use Supplies and Equipment (APP Non-CSE)
- g. Posting of Indicative FY 2024 APP-Non CSE
- h. FY 2024 Annual Procurement Plan – Common Use Supplies and Equipment (APP-CSE)
- i. Results of FY 2022 Agency Procurement Compliance and Performance Indicators (APCPI) System
- j. Undertaking of Early Procurement Activities covering FY 2024 Procurement Projects
- k. Designation of the Agency’s Committee on Anti-Red Tape (CART)
- l. Continuing ISO-QMS certification or equivalent certification of at least one (1) critical frontline service or core process
- m. Administered Client Satisfaction Measurement (CSM)
- n. Report on the digitalization initiatives or digital transformation of external and internal services

While the conditions mentioned above are no longer required in determining the overall PBB eligibility of LWDs, **compliance with these conditions shall be used as the basis for determining the eligibility of responsible units and individuals.** DWD should submit these legal requirements **directly to the oversight agencies.**

6.0 ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUAL EMPLOYEES

6.1 For FY 2023 PBB, the delivery units (DUs) shall no longer be ranked. However, **the unit/s most responsible for deficiencies shall be isolated.**

Based on Table No. 01, to be eligible for the FY 2023 PBB, DWD must attain a total score of at least 70 points.

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

6.2 Eligible DUs shall be granted FY 2023 PBB at uniform rates across the water district, including its officials and employees. The corresponding rates of the PBB shall be based on DWD's achieved total score, as shown in Section 7.0.

6.3 The General Manager is eligible only if DWD is eligible. If eligible, his/her PBB rate for FY 2023 shall be equivalent to the rates stated in Section 7.0 and shall be based on his/her basic monthly salary (MBS) as of December 31, 2023.

6.4 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).

6.5 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.

6.6 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.

6.7 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 6.9.

6.8 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.

6.9 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:

TABLE NO. 06 – PERCENTAGE OF PBB	
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

6.10 An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible for the grant of the PBB.

6.11 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2023 shall not be entitled to the PBB. However, if the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.

6.12 Officials and employees who failed to submit the 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.

6.13 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

The total score as stated in Section 4.0 shall be the basis in determining the amount of the PBB an LWD is eligible for. The maximum rate of the PBB if DWD will achieve 100 points shall

be 100% of the 65% monthly basic salary (MBS) of an individual as of December 31, 2023. For illustration, see the table below:

TABLE NO. 07 – RATES OF THE PBB	
TOTAL SCORE	PBB RATES
100 points	65.00% (100% of the 65% monthly basic salary)
95-99 points	61.75% (95% of the 65% monthly basic salary)
90-94 points	58.50% (90% of the 65% monthly basic salary)
85-89 points	55.25% (85% of the 65% monthly basic salary)
80-84 points	52.00% (80% of the 65% monthly basic salary)
75-79 points	48.75% (75% of the 65% monthly basic salary)
70-74 points	45.50% (70% of the 65% monthly basic salary)

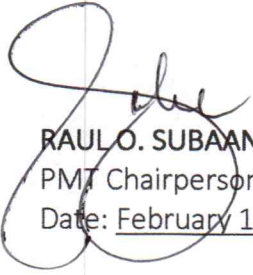
8.0 TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

- 8.1 DWD should 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 **April 30, 2024**.
- 8.2 The AO25 IATF will conduct spot checks to validate claims and certifications made by DWD on the submitted/posted reports and/or requirements.
- 8.3 Responsible employees/delivery units are encouraged to provide information to the AO25 Secretariat on compliance with the Agency Accountabilities provided in Section 5.0.

9.0 FUNDING SOURCE

- 9.1 The PBB shall be sourced from DWD corporate funds, if eligible.
- 9.2 PBB shall not be sourced from the following:
 - a. Loans;
 - b. Subsidy from the National Government for the water district operations;
 - c. Sale of assets for the sole purpose of paying the PBB and is otherwise not in the ordinary course of business.

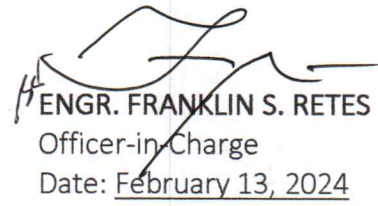
Approved per BOD Resolution No. 21-14, s. 2024 dated Feb. 26, 2024.



RAULO. SUBAAN

PMT Chairperson

Date: February 12, 2024



ENGR. FRANKLIN S. RETES

Officer-in-Charge

Date: February 13, 2024