



Republic of the Philippines

# NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

## PRELIMINARY GUIDELINES ON THE RANKING OF NEDA DELIVERY UNITS AND INDIVIDUALS IN LINE WITH THE GRANT OF PERFORMANCE-BASED BONUS (PBB) FOR FY 2016<sup>1</sup>

### **BACKGROUND**

Section 5 of Executive Order No. 201, s. 2016<sup>2</sup> provides that the existing PBB granted to qualified government personnel shall be enhanced to strengthen its results orientation. The PBB shall be subject to the achievement by departments or agencies and individual employees of their performance targets or commitments and compliance with good governance and other conditions.

Memorandum Circular (MC) 2016-01<sup>3</sup> and 2016-02<sup>4</sup> issued by the AO 25 Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems prescribe the criteria and conditions for the grant of the PBB for FY 2016, including the guidelines on the identification and determination of delivery units within an agency.

### **PURPOSE**

This set of guidelines aims to provide the basis for distribution of the PBB incentives within the NEDA-Office of the Director-General (ODG) and to inform and guide all NEDA officials and employees on the rating and ranking process of delivery units.

### **KEY PLAYERS**

The NEDA Performance Management Group (PMG), which consists of senior officials who directly oversee and observe the performance of delivery units, shall assist the Secretary of Socioeconomic Planning in undertaking the forced ranking of delivery units. It is also tasked to ensure adherence to the PBB Guidelines.

Pursuant to Special Order (SO) No. 145-2016, the members of the NEDA PMG are as follows:

<b>Chairperson:</b>	Deputy Director-General, Central Support Office
<b>Members:</b>	Deputy Director-General, NDO Investment Programming Deputy Director-General, NDO Policy and Planning Deputy Director-General, Regional Development Office Representative of the Office of the Director-General
<b>Observer:</b>	Organization of NEDA Employees (ONE) Representative

In case a NEDA PMG member cannot attend the meeting, he or she can send a representative (at least Director IV level) who is authorized to decide on behalf of the PMG member during the deliberations.

<sup>1</sup> Subject to the confirmation of the NEDA Performance Management Group (PMG)

<sup>2</sup> Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel

<sup>3</sup> Guidelines on the Grant of the PBB for Fiscal Year 2016 under Executive Order No. 80

<sup>4</sup> Guidelines on the Identification and Determination of Delivery Units Relative to the Grant of the PBB for Fiscal Year 2016

The Financial, Planning and Management Staff (FPMS) is designated as the core PMG Secretariat and will be responsible for consolidating relevant documents and coordinating with the IATF, through the AO 25 Secretariat, on all matters related to the PBB. The Administrative Staff (AS) shall extend assistance to FPMS and shall prepare NEDA's Form 1.0 (Report on Ranking of Offices/Delivery Units).

## **ELIGIBILITY OF THE DEPARTMENT**

The NEDA-ODG must satisfy the following criteria to be eligible for the grant of PBB:

1. Achieve agency performance targets under the agency's Major Final Outputs (MFOs) under the Performance Informed Budget (PIB) of the FY 2016 General Appropriations Act (GAA), and the following targets for Support to Operations (STO) and General Administration and Support Services (GASS):

### STO:

- a. STO target identified in accordance with the priority of the agency head; and,
- b. Establishment of a Quality Management System (QMS) for at least one (1) core process certified by any international certifying body approved by the AO 25 IATF or ISO-aligned documentation of its QMS for one (1) core process as evidenced by the following documents in the agency Transparency Seal:
  - b.1. Approved Quality Manual; and,
  - b.2. Approved Procedures and Work Instructions Manual

### GASS

- a. Budget Utilization Rate (BUR), which consist of:
    - a.1 Obligations BUR computed as obligations against all allotments available in FY 2016, including those released under the "GAA as a release document" policy; and,
    - a.2. Disbursement BUR which is measured by the ratio of total disbursement (cash and non-cash, excluding personnel services) to total obligations for maintenance and other operating expenses (MOOE) and capital outlays in FY 2016.
  - b. Compliance to the following Public Financial Management (PFM) reporting requirements of the COA and DBM in accordance with the prescribed content and period of submission under existing laws, rules and regulations:
    - b.1. Budget and Financial Accountability Reports (BFARs);
    - b.2. Report on Ageing of Cash Advances; and,
    - b.3. COA Financial Reports
  - c. Adoption and use of the FY 2015 Agency Procurement Compliance and Performance Indicators (APCPI) System per Government Procurement and Policy Board (GPPB) Resolution No. 10-2012 applicable to the main/head/central offices.
  - d. Submission of the Annual Procurement Plan (APP) for FY 2016 based on the agency approved budget using the prescribed format under the GPPB Circular No. 07-2015.
2. Satisfy 100% of the Good Governance Conditions (GGCs) set by the IATF:
    - a. Maintain/Update the Agency Transparency Seal;

- b. Maintain/Update the PhilGEPS Posting; and,
  - c. Maintain/Update the Citizen's or Service Charter or its equivalent
3. Use the CSC-approved Strategic Performance Management System (SPMS) in rating the performance of First and Second Level officials and employees of the national government and officials holding managerial and Director positions but are not Presidential appointees; and the Career Executive Service Performance Evaluation System (CESPES) in rating the performance of CES officials and incumbents of CES positions.

**DELIVERY UNITS (DUs)**

The NEDA-ODG is comprised of the following DUs:

1	ANRES	Agriculture, Natural Resources and Environment Staff
2	AS	Administrative Staff
3	DIS	Development Information Staff
4	FPMS	Financial, Planning and Management Staff
5	GovS	Governance Staff
6	IAS	Internal Audit Service
7	ICTS	Information and Communications Technology Staff
8	IS	Infrastructure Staff
9	LS	Legal Staff
10	MES	Monitoring and Evaluation Staff
11	NPPS	National Policy and Planning Staff
12	NRO CAR	NEDA Regional Office CAR
13	NRO I	NEDA Regional Office I
14	NRO II	NEDA Regional Office II
15	NRO III	NEDA Regional Office III
16	NRO IV-A	NEDA Regional Office IV-A
17	NRO IV-B	NEDA Regional Office IV-B
18	NRO V	NEDA Regional Office V
19	NRO VI	NEDA Regional Office VI
20	NRO VII	NEDA Regional Office VII
21	NRO VIII	NEDA Regional Office VIII
22	NRO IX	NEDA Regional Office IX
23	NRO X	NEDA Regional Office X
24	NRO XI	NEDA Regional Office XI
25	NRO XII	NEDA Regional Office XII
26	NRO XIII	NEDA Regional Office XIII
27	ODG	Office of the Director-General
28	PIS	Public Investment Staff

29	RDS	Regional Development Staff
30	SDS	Social Development Staff
31	TSIS	Trade, Services and Industry Staff

## **RANKING OF DELIVERY UNITS**

A two-stage process for ranking of DUs will be followed:

### 1. FIRST STAGE RANKING

- a. For the first stage, ranking of delivery units will be done per cluster. Eligible DUs shall be clustered into five (5) groups, according to the similarity of tasks and responsibilities. Ranking within the cluster shall be done by concerned NEDA Official/s who directly oversee and observe the performance of DUs, as shown below:

CLUSTER	RATER/S	DELIVERY UNITS TO BE RANKED
<b>Cluster 1:</b>		
Office of the Director-General	Secretary of Socioeconomic Planning	1) ODG 2) DIS 3) IAS
<b>Cluster 2:</b>		
National Development Office – Policy and Planning Staffs	DDG and ADG for Policy and Planning	1) ANRES 4) SDS 2) GovS 5) TSIS 3) NPPS
<b>Cluster 3:</b>		
National Development Office - Investment Programming Staffs	DDG and ADG for Investment Programming	1) IS 2) MES 3) PIS
<b>Cluster 4:</b>		
Central Support Office Staffs	DDG for Central Support	1) AS 3) ICTS 2) FPMS 4) LS
<b>Cluster 5:</b>		
Regional Development Office Staff and Offices	DDG and ADG for Regional Development	1) RDS 9) NRO 6 2) NRO CAR 10) NRO 7 3) NRO 1 11) NRO 8 4) NRO 2 12) NRO 9 5) NRO 3 13) NRO 10 6) NRO 4-A 14) NRO 11 7) NRO 4-B 15) NRO 12 8) NRO 5 16) NRO 13

- b. Each cluster is given the flexibility to develop its respective criteria for the ranking of the DUs, with the numerical OPCR rating of the head of the delivery unit as the minimum criterion. This may be supplemented by additional criteria.
- c. Each cluster head will have the option to rank the delivery units ordinally (i.e, with 1 being the top performer and n being the bottom performer) or forced ranked them using the adjectival rating of Best, Better, or Good.
- d. The DUs shall be forced ranked per cluster based on the following percentage distribution:

CLUSTER NUMBER	NO. DUs	NO. OF DELIVERY UNITS TO BE RANKED AS:		
		BEST (Top 10%)	BETTER (Next 25%)	GOOD (Next 65%)
1	3	1	1	1
2	5	1	1	3

CLUSTER NUMBER	NO. DUs	NO. OF DELIVERY UNITS TO BE RANKED AS:		
		BEST (Top 10%)	BETTER (Next 25%)	GOOD (Next 65%)
3	3	1	1	1
4	4	1	1	2
5	16	2	4	10
<b>TOTAL</b>	<b>31</b>	<b>6</b>	<b>8</b>	<b>17</b>

- e. Each cluster shall circulate to officials and employees concerned the agreed criteria to be applied prior to the conduct of actual ranking. The rater/s within each cluster shall assess the DUs under their respective clusters against the agreed criteria and determine their rating and ranking.
- f. The rater/s shall discuss the result of the assessment with the heads of the delivery units. The rater/s shall document the results of the assessment using the attached Form 1 and forward the same to the PMG Secretariat (FPMS).

## 2. SECOND STAGE RANKING

- a. The results of the first stage ranking will then be forwarded to the Secretary for the determination of the final ranking, using the following percentage distribution:

NO. OF DUs	NO. OF DUs TO BE RANKED AS:		
	BEST (Top 10%)	BETTER (Next 25%)	GOOD (Next 65%)
<b>31</b>	<b>3</b>	<b>8</b>	<b>20</b>

- b. The criteria to be used are as follows:

CRITERIA	
1. Quality - Complexity of the nature of the tasks/operations	<ul style="list-style-type: none"> <li>DUs contributing to more than one MFO and/or priority programs/projects/ activities in the performance commitment of the Secretary and those units which have to undertake multitasking responsibilities all at the same time.</li> <li>DUs which are often required to undertake extremely urgent provision of inputs/vetting of data and information as per instruction of the Office of the President.</li> <li>DUs which have to assume greater degree of accountability/responsibility such as those which have to serve as primary drivers and facilitators for the completion of certain tasks and as negotiators relative to issues pertaining to the substance of the work and the deadline as required by major clients namely OP, Congress, ACOs and other stakeholders.</li> </ul>
2. Quantity – volume of work	<ul style="list-style-type: none"> <li>DUs which have to attend to volumes of work on a daily basis relative to others which do not (documents received/ referred to them for action on a daily basis as compared to others who are busy only for certain periods of the year). Extra for those which are often requested to undertake quick provision of inputs/vetting of data/ information from OP.</li> <li>DUs which have to attend to extensive coordination work to complete major tasks within a specified time period.</li> </ul>
3. Timeliness – turnaround time for accomplishing relatively easy tasks should range from one to two days only and five to ten working days for complex tasks. For very complex tasks, it could be more than ten working days. Give premium to those DUs which have very limited time to accomplish certain tasks given urgency such as Presidential requirements for inputs and vetting of data/information.	

- c. The results of the final ranking shall be indicated in Form 1.0.

### **ELIGIBILITY OF INDIVIDUALS**

1. The eligibility of the Department Secretary will depend on the eligibility and performance of their respective department/agency. Their PBB shall be based on the monthly basic salary as of December 31, 2016 as follows:

<b>PERFORMANCE OF ELIGIBLE AGENCY</b>	<b>PBB AS % OF MONTHLY BASIC SALARY</b>
Agency achieved all GGCs, and its physical targets in all MFOs, STO and GASS indicators	65%
Agency achieved all GGCs, and has deficiency/ies in some of its physical target/s due to uncontrollable reasons	57.5%
Agency achieved all GGCs, and has deficiency in one of its physical target/s due to controllable reasons	50%

2. Employees belonging to the First and Second Level should receive a rating of at least "Satisfactory" based on the agency's CSC-approved SPMS.
3. Third Level officials should receive a rating of at least "Satisfactory" under the CESPES. CESPES covers all incumbents of CES positions in various agencies of national government for an uninterrupted period of at least three (3) months. Payment of the PBB for Third Level officials shall be contingent on the release of the results of the CESPES.
4. Other officials performing managerial and executive functions who are not presidential appointees are covered by the agency's CSC-approved SPMS and should receive a rating of at least "Satisfactory".
5. 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 that rated his/her performance. Payment of the PBB shall come from the parent agency.
6. 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.
7. An official/employee who has rendered a minimum of nine (9) months of service in FY 2016 and with at least Satisfactory rating shall be eligible to the full grant of the PBB.
8. An official/employee who rendered less than nine (9) months but a minimum of three (3) months of service with at least Satisfactory rating shall be eligible to the grant of the PBB on a pro-rata basis corresponding to the actual length of service rendered, as follows:

<b>LENGTH OF SERVICE</b>	<b>% OF PBB</b>
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
  - h. Sabbatical leave
9. The following shall not be entitled to the FY 2016 PBB:
- a. An employee who is on vacation or sick leave, with or without pay for the entire year;
  - b. Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty in FY 2016 by formal and executory judgement. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB;
  - c. Officials and employees who failed to submit the 2015 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (s. 2015);
  - d. Officials and employees who failed to liquidate within the reglementary period the Cash Advances received in FY 2016 as required by COA; and,
  - e. Officials and employees who failed to submit their complete SPMS Forms.
10. Only the personnel belonging to eligible DUs are qualified for the PBB.

**RATES OF THE FY 2016 PBB**

The PBB rates of individual employees shall depend on the performance ranking of the DU where they belong based on the individual's monthly basic salary as of December 31, 2016, as follows but not lower than Php 5,000.00:

<b>PERFORMANCE CATEGORY</b>	<b>PBB AS % OF MONTHLY BASIC SALARY</b>
Best DU	65%
Better DU	57.5%
Good DU	50%