



Republic of the Philippines
Department of Agriculture
AGRICULTURAL CREDIT POLICY COUNCIL

OFFICE ORDER

No. 01

October 30, 2017

Subject : Guidelines in Ranking Delivery Units and Individuals as Basis for Granting the Performance-Based Bonus (PBB) for CY 2017

1.0 BACKGROUND

Executive Order No. 80, s. 2012 directed the adoption of Performance-Based Incentive System (PBIS) consisting of the Productive Enhancement Incentive (PEI) and the Performance-Based Bonus (PBB) for government employees. On the other hand, Executive Order provided that the compensation and position classification shall be revised or updated to strengthen the performance-based incentive system in recognition of government personnel who play a greater role and carry a heavier responsibility in attaining performance targets and delivery results.

The PBB is a system of ranking Delivery Units (DU) of Departments/Agencies and personnel within those units according to their performance as measured by verifiable indicators based on the pillars of the Department's/Agency's Major Final Outputs (MFOs), Department's/Agency's commitments to the President which are supportive of the priorities under EO 43 and good governance conditions set by the AO 25 Inter-Agency Task Force.

Consistent with IATF MC NO. 2017-1 dated March 9, 2017, the ACPC issues this Memorandum Circular on the Guidelines on Ranking Delivery Units and Individuals as Basis for Granting the PBB for FY 2017.

2.0 PURPOSE

The guidelines on the grant of PBB for FY 2017 for the ACPC are hereby issued for the following purposes:

- 2.1 To inform and guide all delivery units and employees of this office on the new/additional requirements for the grant of PBB for FY 2017;
- 2.2 To inform and guide officials and employees on the rating and ranking process of delivery units and individuals;
- 2.3 To identify the responsible units and their respective roles and responsibilities in the implementation of the PBB for 2017; and
- 2.4 To clearly set deadlines for the submission of requirements.

3.0 COVERAGE

- 3.1 All official and employees holding regular plantilla positions and contractual and casual personnel having an employer-employee relationship with the Agency, and whose compensation is charged to the lump-sum appropriation under Personnel Services, or those occupying positions in the contractual staffing pattern of the Agency approved by the Department of Budget and Management (DBM).

4.0 REQUIREMENTS FOR THE GRANT OF ACPC PBB FOR 2017

- 4.1 All Major Final Output (MFO) indicators and targets in the 2017 Performance Informed Budget (PIB) approved by Congress shall be the basis for assessing the eligibility of ACPC for the PBB in addition to the General Administration and Support Services (GASS) targets set by the IATF.
- 4.2 The following are the new/additional requirements for the grant of the PBB for FY 2017 specified under M.C.No.2017-1 dated March 9, 2017:
 - 4.2.1 Use of the Strategic Performance Management System (SPMS) as basis for ranking performance of officials and employees;
 - 4.2.2 Compliance to Public Financial Management(PFM) reporting requirements of the Commission on Audit (COA) and DBM;
 - 4.2.3 Adoption and use of the Agency Procurement Compliance and Performance Indicators (APCPI) System;
 - 4.2.4 Compliance with Section 3e of Administrative Order (AO) No. 46, s. 2016 requiring agencies to submit their respective Annual Procurement Plan (APP) based on the approved budget in the General Appropriations Act (GAA), inclusive of Maintenance and Other Operating Expense (MOOE), Capital Outlay (CO) and commonly-used supplies; and
 - 4.2.5 Submission of Form B for Agency Accomplishment for Priority Programs and Initiatives under Executive Order (EO) No. 43.

5.0 ELIGIBILITY CRITERIA

- 5.1 Eligibility Criteria for ACPC Delivery Units/Divisions
 - 5.1.1 Achieve each one of the Congress-approved performance targets for the delivery of Major Final Outputs (MFOs) under the PIB of the FY 2017 General Appropriations Act (GAA), and the targets for GASS;
 - 5.1.2 Achieve each one of the priority program/project targets agreed with the President under the five (5) Key Result Areas (KRAs) of Executive Order (EO) No. 43; and

5.1.3 Satisfy 100% the good governance conditions set by the AO 25 Inter-Agency Task Force (IATF) for FY 2017, as follows:

- a. Maintain/update the Agency Transparency Seal, which should contain the following:
 - a.1 Agency mandate, vision, mission and list of officials
 - a.2 Quarterly and Annual Financial Reports
 - a.2.1 FY 2013 to FY 2017 FAR No. 1: SAAOBDB
 - a.2.2 FY 2013 to FY 2017 Summary Report on Disbursement
 - a.2.3 FY 2013 to FY 2017 BAR No. 1 – Quarterly Physical Report of Operations/Physical Plan
 - a.3 DBM-Approved Budget and Targets for FY 2017
 - a.4 Programs, Projects, and Activities, Beneficiaries, and Status of Implementation for FY 2017
 - a.5 Annual Procurement Plan (APP) for FY 2017
- b. Maintain/update the PhilGEPS posting
- c. Maintain/update approved Quality and approved Procedures and Work Instructions Manual including Forms.
- d. Maintain/update the Citizen's or Service Charter or its equivalent.
- e. System of ranking delivery units and individuals.

5.2 To be eligible for a higher percentage distribution in the ranking of delivery units/divisions, the whole Agency must achieve at least 90% of each one of the additional targets of the Secretary/Head of Agency as reflected in the OP Planning Tool Form 1 in addition to the criteria enumerated in item 5.1.

5.3 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 Personnel on detail to another government agency

DELIVERY UNITS (DUs)

The Agricultural Credit Policy Council (ACPC) is comprised of the following Delivery Units (DUs)

1	OED	Office of the Executive Director
2	PPPDAS	Policy, Planning, Program Development and Advocacy Staff
3	M & E	Monitoring and Evaluation Staff
4.	FMS	Fund Management Staff
5	AFMS	Administrative, Financial and Management Staff

1.1 Eligibility Criteria for ACPC Officials and Employees

- 1.1.1 Employees should receive a rating of at least “Satisfactory” based on the agency’s CSC-approved Strategic Performance Management System (SPMS).
- 1.1.2 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 mother agency.
- 1.1.3 Personnel who transferred from one government agency to another agency 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.
- 1.1.4 An employee who has rendered a minimum of nine (9) months of service during the fiscal year and with a performance rating in accordance with items 5.3.1 and 5.3.2.
- 1.1.5 An employee who rendered a minimum of three (3) months but less than nine (9) months of service and with the required performance rating shall be eligible for the grant of the PBB on a pro-rata basis. The PBB of employees shall be pro-rated 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 pro-rate 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
- h. Sabbatical Leave

5.4 Exclusion from the Grant of the PBB for FY 2017

- 5.4.1 An 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.
- 5.4.2 Personnel found guilty of administrative and/or criminal cases filed against them and meted penalty 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.
- 5.4.3 Officials and employees who failed to submit the 2016 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3, s. 2016, shall not be entitled to the FY 2017 PBB.
- 5.4.4 Officials and employees who failed to liquidate Cash Advance received in FY 2017 within the prescribed period as required by the COA shall not be entitled to the FY 2017 PBB.
- 5.4.5 Officials and employees who failed to submit their complete SPMS Forms.
- 5.4.6 Officials and employees responsible for non-compliance of prior years' audit recommendation.

6.0 **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. Ranking within the cluster shall be done by the ACPC Executive Director and Directors who directly oversee and observe the performance of the Delivery Units, as shown below:

CLUSTER	RATER/S	DELIVERY UNITS TO BE RANKED
Cluster 1:		
Office of the Executive Director	Executive Director	1. PPPDAS 2. M & ES 3. FMS 4. AFMS
Cluster 2		
Policy, Planning, Program Development and Advocacy Staff	Director II	1. PPD 2. PDD 3. AD 4. ACD
Cluster 3		
Monitoring and Evaluation	Director II	1. MD 2. ISMD
Cluster 4		
Fund Management Staff	Director II	1. FRD 2. ADD
Cluster 5		
Administrative, Financial and Management Staff	Director II	1. AD 2. FMD

- B. Each cluster head will have the option to rank the delivery units ordinally (i.e, with 1 being the top performer and 3 being the bottom performer) or forced ranked them using the adjectival rating of Best, Better or Good.
- C. The DUs shall be forced ranked per cluster based on the following percentage distribution:

CLUSTER NUMBER	NO.OF DUs	NO. OF DELIVERY UNITS TO BE RANK AS:		
		BEST (Top 10%)	BETTER (Next 25%)	GOOD (Next 65%)
1	4	1	1	1
2	4	1	1	1
3	2	1	1	1
4	2	1	1	1
5	2	1	1	1
TOTAL	14	5	5	5

- D. 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 DU under their respective clusters against the agreed criteria and determine their rating and ranking.
- E. The rater/s shall discuss the result of the assessment with the heads of the delivery units.

SECOND STAGE RANKING

- A. The results of the first stage ranking will then be forwarded to the Executive Director for the determination of the final ranking, using the following distribution:

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

7.0**RESPONSIBILITIES**

Units	Responsibilities
Delivery Units/Divisions	<ul style="list-style-type: none">▪ Submit, at the end of performance rating period, accomplished OPCR Form to the Policy and Planning Division (PPD).▪ Ensure that PBB targets are harmonized with the commitments stated in their respective OPCR and accomplishment reports are consistent with required budget accountability report/s.
Policy and Planning Division (PPD)	<ul style="list-style-type: none">▪ Coordinate and monitor the Agency's compliance with IATF requirements, i.e. accomplishment report, etc.▪ Consolidates, reviews, and validates the initial performance assessment based on accomplishments reported against success indicators and budget against actual expenses.▪ Monitors submission of accomplished OPCR Forms and schedule the review/evaluation by the PMT.
Administrative Division	<ul style="list-style-type: none">▪ Monitors submission of IDPCR Form.▪ Reviews the Summary List of Individual Performance Rating.
Performance Management Team (PMT)	<ul style="list-style-type: none">▪ Ensures that Office performance targets, measure and budget are aligned with those of the Agency.▪ Recommends approval of the OPCR.▪ Acts as Appeals body and final arbiter.▪ Oversee the implementation of these Guidelines and issue necessary rules, regulations, policies, and directives.

8.0**EFFECTIVITY**

This office Order shall take effect immediately.



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Executive Director

