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**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 No. 2023-1 dated August 22, 2023)*

## **1.0 PURPOSE**

The Kolambugan Water District (KOLWD) adopts the Memorandum Circular No. 2023-1 of Interagency Task Force (IATF) dated August 22, 2023, 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.

There are four (4) accountability dimensions that remain relevant in achieving the PDP goals:

- *Performance Results* – will give emphasis on the accomplishments of KOLWD target based on the standard Major Final Outputs, this reflects to the overall operational performance.
- *Process Results* – shall be based on the compliance of KOLWD with the Commercial Practice System (CPS) which is standardized process governing the transactions of KOLWD.
- *Financial Results* – shall represent the financial viability and sustainability of KOLWD as indicated by the liquidity ratio.
- *Citizen/Client Satisfaction Results* – shall represent the achievement in addressing/acting on requests/complaints received by KOLWD, to guarantee quality service/goods provided to consumers.

The FY 2023 PBB shall continue to measure and evaluate the performance of KOLWD on public's satisfaction on the realization of the KOLWD's performance targets, quality of public service delivery, efficiency in the use of resources, and strengthened agency stewardship. With the FY 2023 PBB, the KOLWD will be able to conduct a self-assessment of their overall performance through the transparent PBB Scoring System tied-up to the rates of incentives.

## **2.0 COVERAGE**

The FY 2023 PBB shall cover the personnel of KOLWD holding regular, contractual, and casual positions. Excluded from the coverage herein are individuals engaged without an 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, the KOLWD 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.
2. Current in Debt Service Status with LWUA;
  3. Existing LWUA-KOLWD Joint Savings Account for Reserves;
  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; and
  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 Kolambugan Water District FY 2023 Budget;
    - c. Updated Business Plan covering FY 2023; and
    - d. FY 2023 Annual Report.

KOLWD must satisfy the criteria and conditions under the four 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.

### 3.1 Performance Results

- *Major Final Output (MFO)* – are goods or services that KOLWD is mandated to provide to its external clients through the implementation of programs, activities, and projects.
- *Performance Indicator (PI)* – a characteristic of performance (quality, quantity, timeliness, or cost) that is to be measured and will illustrate the standard by which KOLWD is expected to deliver its MFO, Performance Indicators should be verifiable, observable, credible, and sustainable.
- *Performance Target (PT)* – predetermined numerical target level of performance against which actual performance can be compared.
- *Delivery Units (DUs)* – departments and divisions of KOLWD responsible for the achievement of the KOLWD'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.
- *Adequacy and Reliability of Service* – performance of KOLWD 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 KOLWD in pursuing the goal of providing water access and service to the greater percentage of the population within the service area.
- *Submission of KOLWD Board Approved Water Safety Plan* – to ensure the delivery of safe drinking water, the DOH has issued Administrative Order No. 2014-0027.

### 3.2 Process Results

KOLWD's achievements in ease of transaction as a result of streamlining and standardization, through compliance with the Commercial Practice System (CPS).

### 3.3 Financial Results

The KOLWD's financial viability and sustainability as indicated by the liquidity ratio, which determines the capacity to meet short-term obligations, positive net income balance, and collection performance.

### 3.4 Citizen/Client Satisfaction Results

The achievements of KOLWD in satisfying the quality expectations of the transacting public.

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

The KOLWD's accomplishments for each criterion shall be rated using this scoring system. Each criterion has an assigned point, as shown in Table No. 1. The total maximum score that KOLWD may obtain is 100 points. To be eligible for the FY 2023 PBB, the KOLWD must attain a total overall score of **at least 70 points**.

TABLE NO. 1 Scoring System for FY 2023 PBB for LWDs

CRITERIA	MAX PTS.	CONDITION
A. Performance Results	70	Actual points should 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
<b>TOTAL</b>	<b>100</b>	<b>Overall Total Score must be <u>at least 70 points</u></b>

In case the KOLWD 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 targets under Performance Results will enable KOLWD to concentrate their efforts and available resources on their mandates and core functions and ensure the delivery of high-quality and high-impact activities.

The Performance Results shall be assessed and scored as follows:

CRITERIA	MAX PTS.	CONDITION
<b>Performance Results</b> Major Final Outputs (MFOs):		
a. Access to Potable Water	12	Actual points should be at least 49
b. Reliability of Service (24/7 supply)	6	
c. Adequacy	6	
d. Submission of Water Safety Plan	5	
e. Non-Revenue Water	12	
f. Potability ( <i>Chlorine Residual</i> )*	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	

(\*) *Included in the Compliance with 2017 PNSDW Pre-Qualifications*

**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; and standardization of frontline processes.

Compliance of at least 90% with the criteria would automatically render seven (7) points for the Process Results. Failure to do so will result in the isolation of the responsible unit/s.

CRITERIA	CONDITION
<b>Process Results</b> Compliance with CPS for all LWDs.	At least 90% Compliance with the Commercial Practice System (CPS) will render 7 points; below 90% will result in isolation.

**4.3 Financial Results**

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

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

**4.3 Citizen/Client Satisfaction Results.**

Achieve Citizen/Client Satisfaction by acting on requests/complaints received directly by the LWDs (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).** The LWDs 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, the LWDs shall submit a report summarizing the complaints 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:

CRITERIA	MAX PTS.	CONDITION
<b>Citizen/Client Satisfaction Results</b> 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 (in-house)	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 AGENCY ACCOUNTABILITIES**

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

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 (Php 1,000,000.00)
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)	
New Agency Accountabilities Beginning FY 2023 PBB	l. For LWDs under Categories A and B, 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 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. LWDs 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 eligible LWDs 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, the LWD 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 LWD, including its officials and employees. The corresponding rates of the PBB shall be based on the LWD’s achieved total score, as shown in Section 7.0.

6.3 LWD General Managers are eligible only if their respective LWDs are eligible. If eligible, their PBB rate for FY 2023 shall be equivalent to the rates stated in Section 7.0 and shall be based on their monthly basic salary (MBS) as of December 31, 2023.

6.4 LWD Board Members may be eligible for the Performance-Based Incentives (PBI) subject to the following conditions:

- a. The LWD has qualified for the grant for the grant of the FY 20233 PBB;
- b. The Board Member has 90% attendance to dully called board meetings and committee meetings as certified by the Board Secretary;
- c. The Board Member has eleven (11) months of aggregated service in the position;
- d. The LWD 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 LWD).

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 one 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 6.11.
- 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:

<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/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 the 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. However, 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 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.

6.14 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**

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 for LWDs that 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:

<b>RATES OF THE FY 2023 PBB</b>	
<b>TOTAL SCORE</b>	<b>PBB RATES</b>
100 points	<b>65%</b> (100% of the 65% monthly basic salary)
95 points	<b>61.75%</b> (95% of the 65% monthly basic salary)
90 points	<b>58.5%</b> (90% of the 65% monthly basic salary)
85 points	<b>55.25%</b> (85% of the 65% monthly basic salary)
80 points	<b>52%</b> (80% of the 65% monthly basic salary)
75 points	<b>48.75%</b> (75% of the 65% monthly basic salary)
70 points	<b>45.5%</b> (70% of the 65% monthly basic salary)

**8.0 TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS**

8.1 LWDs 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), together with its pertinent supporting documents to LWUA, on or before April 30, 2024.

8.2 The AO25 IATF shall conduct spot checks to validate claims and certifications made by the LWDs on their submitted/posted reports and/or requirements.

8.3 LWDs are encouraged to provide information to the AO25 Secretariat on compliance with the LWD Agency Accountabilities provided in Section 5.0.



## **9.0 EFFECTS OF NON-COMPLIANCE**

An 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 or 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 Heads of LWDs, with the support of their PMTs, should enhance the implementation of their internal communications strategy on the PBB and fulfill the following:

- a. Engage their respective employees in understanding the PBB, the performance targets of their respective agencies, and the services and outputs they will need to deliver to meet these targets.
- b. Disseminate the performance targets and accomplishments of LWD employees through the internet and other means, and publish these on their respective websites 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 respective websites of LWDs
- d. Set up a Complaints Mechanism to respond to the PBB-related issues and concerns raised by officials and employees of their respective LWDs. Such may be incorporated into the functions of their Grievance Committee.

10.2 Heads of the LWD shall designate a senior official who shall serve as a PBB focal person. In addition, the offices responsible for 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 PBB focal persons should be submitted to the Ao25 Secretariat.

## **11.0 FUNDING SOURCE**

11.1 The PBB of eligible LWDs shall be sourced from their respective corporate funds.

11.2 LWDs are prohibited from sourcing payment of the PBB from the following:

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