



**INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS**
(Administrative Order No. 25 s. 2011)

MEMORANDUM CIRCULAR NO. 2016- 2

October 12, 2016

FOR: All Heads of Departments, Bureaus, Offices and Other Agencies of the National Government, including Constitutional Commissions, Congress, The Judiciary, Office of the Ombudsman, State Universities and Colleges (SUCs), and Government-Owned or-Controlled Corporations (GOCCs)¹

SUBJECT: Guidelines on the Identification and Determination of Delivery Units Relative to the Grant of the Performance-Based Bonus (PBB) for Fiscal Year (FY) 2016

1.0 BACKGROUND

Executive Order No. 201² s. 2016 provides that the existing PBB granted to qualified government personnel shall be enhanced to strengthen its results orientation. The Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems created under Administrative Order (AO) No. 25, s. 2011, herein referred to as the AO 25 IATF, shall prescribe the conditions on the eligibility and procedure for the grant of the enhanced PBB, including the ranking system to recognize differences in levels of performance.

Pursuant thereto, the AO 25 IATF issued Memorandum Circular (MC) No. 2016-1³ to prescribe the guidelines on the grant of the FY 2016 PBB. Item 8.1 of said MC states that bureaus, offices or delivery units eligible to the PBB shall be forced ranked according to the following:

Ranking	Performance Category
Top 10%	Best Bureau/Office/Delivery Unit
Next 25%	Better Bureau/Office/Delivery Unit
Next 65%	Good Bureau/Office/Delivery Unit

¹ GOCCs under the coverage of the Department of Budget and Management

² Modifying the Salary Schedule For Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel, dated February 19, 2016

³ Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2016 under Executive Order (EO) No. 80 and EO No. 201, dated May 12, 2016

Item 8.2 of the same MC stipulates that guidelines on the determination of delivery units shall be issued separately.

2.0 PURPOSE

This Memorandum Circular is issued to provide guidelines on the identification and determination of delivery units within a department, agency, SUC, or GOCC which, if eligible, shall be forced ranked for purposes of the grant of the FY 2016 PBB.

3.0 GENERAL GUIDELINES

3.1 A **delivery unit** shall be the primary subdivision of a department, agency, SUC, or GOCC performing substantive line functions, technical services, or administrative support, as reflected in the agency’s organizational structure and/or functional chart.

The identification of a delivery unit will depend on the type of government entity, with due consideration to its mandate, organizational level, and scope of operations, as follows:

TYPE OF GOVERNMENT ENTITY				
Department or Department-Level	Agency		State Universities and Colleges	GOCCs
	Intermediate Level	Bureau Level		
DELIVERY UNITS				
Offices Bureaus Services Regional Offices, if any	Offices Bureaus Services Regional /Field Units, if any	Divisions Field Units, if any	Offices Services Campuses Colleges	Offices Departments

3.2 For purposes of this Circular, agencies attached to a department or department-level entity shall be treated as an agency separate from its parent department and shall have a separate ranking of its delivery units.

3.3 **Annex A** contains the master list of delivery units in departments/ agencies.

3.4 To facilitate the ranking process, departments/agencies may cluster the delivery units based on similarities of functions and responsibilities, provided that the overall ranking distribution for Best and Better delivery units shall not exceed 10% and 25%, respectively, of the total number of delivery units in the department/agency.

4.0 **Resolution of Cases**

Cases not covered by the provisions of this Circular shall be resolved by the AO 25 Technical Working Group.

5.0 Please be guided accordingly.

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BENJAMIN E. DIOKNO

Secretary, Department of Budget and Management
and Chairman, AO 25 Inter-Agency Task Force

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