

Republic of the Philippines
Local Water Utilities Administration
Department of Budget and Management

JOINT MEMORANDUM CIRCULAR NO. 2017 - 014 - 171

JUL 3 2017

TO: All Heads of Local Water Districts

SUBJECT: Guidelines on the Grant of the Fiscal Year 2017 Performance-Based Bonus (PBB) for Local Water Districts (LWDs) issued pursuant to Executive Order No. 80 and Memorandum Circular No. 2017-1

1.0 BACKGROUND AND RATIONALE

- 1.1 In the pursuit of improving the lives of the Filipino people, President Rodrigo Duterte has laid out a socio-economic agenda towards more inclusive development. All government agencies are directed to be more transparent and expedient in their transactions with the public by reducing requirements and processing time of all applications and services, and making them accessible and convenient for the people. Achieving the desired sectoral outcomes would restore the confidence of the Filipino people in the capacity of the public servants to make people's lives better, safer and healthier.
- 1.2 To heighten public accountability and transparency, promote greater collaboration among agencies, and ensure accessible and convenient delivery of services to the Filipino people, the Philippine government is intensifying the Results-Based Performance Management System (RBPMS), along with its incentive component, the Performance-Based Incentive System (PBIS). The RBPMS aims not only to link budget with outcomes but also strengthen performance management and monitoring in the government. The PBIS consisting of the Productivity Enhancement Incentive (PEI) and the Performance-Based Bonus (PBB), which were authorized under Executive Order (EO) No. 80 s. 2012 is an integrated scheme of rewarding exemplary performance in the government through the grant of incentives linked with actual performance.
- 1.3 EO No. 201 s. 2016 also provided that the compensation and position classification shall be revised or updated to strengthen the PBIS in recognition of government personnel who play a greater role and carry a heavier responsibility in attaining performance targets and delivering results.
- 1.4 EO No. 201 s. 2016 stipulated that the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting System created under Administration Order (AO) No. 25 s. 2011 shall prescribe the conditions on eligibility and procedures for the grant

of the enhanced PBB, including the ranking system to recognize different levels of performance.

- 1.5 The PBB shall be given to officers and employees of local water district delivery units in accordance with their contribution to the accomplishment of their overall targets and commitments, subject to certain criteria and conditions set forth in EO No. 80 s. 2012 and other related issuances.
- 1.6 The grant of the PBB seeks to:
 - a) Recognize and reward exemplary performance in the public sector to enhance service delivery;
 - b) Rationalize the distribution of incentives across performance categories of groups and individuals thereby moving away from across-the-board incentives over time;
 - c) Nurture team spirit towards effective execution of operational plans by linking personnel incentives to the performance delivery units' and,
 - d) Strengthen the existing performance management systems like the Strategic Performance Management System (SPMS) of the Civil Service Commission, and the Results Based Performance Management System (RBPMS) provided under AO No. 25 s. 2011.

2.0 PURPOSE

This Memorandum Circular is issued to prescribe the criteria and conditions for the grant of Performance-Based Bonus (PBB) for FY 2017 performance to be given in FY 2018.

3.0 COVERAGE

All officers and employees of Local Water Districts (LWDs) holding regular plantilla positions; contractual and casual personnel having an employer-employee relationship with the said agencies, and whose compensation are charged against the lump sum appropriation under Personnel Services; and those occupying positions in the DBM-approved contractual staffing pattern of the agencies concerned are covered by this Circular.

4.0 DEFINITION OF TERMS

- 4.1 **Major Final Output (MFO)** - the good or service that a water district is mandated to provide to its external clients through the implementation of programs, activities, and projects. It may be a single output or group of outputs targeted at the same organizational/sector outcome and capable of being summarized by a common performance indicator.
- 4.2 **Performance Indicator (PI)** - a characteristic of performance (quality, quantity, timeliness or cost) that is to be measured and will illustrate the standard by which a water district is expected to deliver its MFO. Performance indicators should be verifiable, observable, credible and sustainable.

- 4.3 Performance Target (PT)** - predetermined numerical target level of performance (quantity, quality, timeliness and cost of an output) against which actual performance can be compared.
- 4.4 Delivery units** - departments and divisions of the LWD responsible for the achievement of the LWD's MFO and committed to performance targets which are tracked by a reporting system within the year and verified by the Local Water Utilities Administration (LWUA).
- 4.5 Potability** - the quality of water that renders it safe and fit for human consumption. LWD performance with respect to this indicator shall mean compliance to the Philippine National Standards for Drinking Water (PNSDW) and all issuances and guidelines by the Department of Health (DOH) and LWUA.
- 4.6 Adequacy and Reliability of Service** - performance of LWD rated in accordance with the 24/7 availability of supply, and capacity to meet the present and future water demand.
- 4.7 Access and Coverage** - performance of LWD in pursuing the goal of providing access and water service to the greater percentage of the population within their respective service areas.
- 4.8 Affordability** - performance of LWD rated in accordance with its ability to ensure that their rates are kept affordable for the low income groups (LIG). It has been ascertained that a water consumption of 10 cubic meters per month will provide for the basic requirements of those in the LIG based on NSO and LGU data.
- 4.9 Low Income Group** - the sector of residential consumers having the lowest capability to pay for water service. For this purpose, the minimum charge for 1/2" residential connection should not exceed 5% of the average income of the LIG in the service area. This is a measure of the reasonableness of rates and has been regarded as the maximum amount that this income group can pay for its monthly water bill.

5.0 FY 2017 GOOD GOVERNANCE CONDITIONS (GGCs)

- 5.1** For FY 2017, the IATF sets the following good governance conditions based on the existing performance drivers of the RBPMS and the thrusts of the Duterte Administration for transparency, accountability, and people-focused public service:
- a. Maintain/Update the agency Transparency Seal (TS) pursuant to Section 93 of the FY 2017 General Appropriations Act (GAA), to enhance transparency and enforce accountability. The agency Transparency Seal page should be accessible by clicking on the TS logo on the Home page, and should contain the following documents:
- a.1 Agency's mandate and functions, names of its officials with their position and designation, and contact information;
- a.2 LWUA-reviewed 2017 COB duly approved by the LWD Board;
- a.3 Quarterly and Annual Financial Reports from FY 2013 to FY 2017;

- a.4 Projects, Programs and Activities, Beneficiaries, and Status of Implementation for FY 2017. If this portion is not applicable, agencies should indicate "not applicable" (NA).
- a.5 FY 2017 Annual Procurement Plan (APP), which should be posted not later than one month after the issuance of the IATF Circular, and subsequently, the approved revisions (see Section 5.1.e);
- a.6 For LWDs under categories A & B, QMS-ISO Certification of at least one core process by any international certifying body approved by the IATF, following through the progress achieved in 2016. The QMS – ISO Certification should be posted not later than December 31, 2017.

If the LWD is not yet ISO certified, it should have an ISO- aligned documentation for at least one (1) core process, to include the following:

- Approved Quality Manual and approved Procedures and Work Instructions Manual, including Forms; and
- Evidence of ISO 9001- aligned QMS implementation, i.e.: (1) Certification of the Head of the Agency on the conduct of the Internal Quality Audit; and (2) Minutes of the FY 2017 Management Review.

For LWDs under categories C & D, adoption of operating standards and corresponding reportorial requirements based on established business policies and practices in the water utilities sector as enunciated under the Commercial Practices System (CPS), as well as present their financial statements in accordance with the accounting principles under the New Government Accounting System (NGAS) as prescribed by the Commission on Audit (COA).

- a.7 System of Ranking Delivery Units, which should be posted and disseminated to employees not later than October 1, 2017.
- a.8 Agency's FOI Manual should be uploaded on or before October 1, 2017, as indicated in Section 5.1.d.
- b. Maintain/Update the posting of all Invitations to Bid and awarded contracts in the Philippine Government Electronic Procurement System (PhilGEPS) pursuant to the Government Procurement Reform Act (Republic Act. No. 9184) for transactions from November 16, 2016 to November 15, 2017;
- c. Compliance with the President's directive on improving all frontline services consistent with the objectives of the Anti-Red Tape Act of 2007 or ARTA (RA No. 9485) and the President's directive to cut down processing time of all applications from submission to release, and to ensure accessible and convenient delivery of services to the public as reflected in CSC Memorandum Circular No. 14 s. 2016:
 - c.1 Maintain/Update the Citizen's or Service Charter or its equivalent, reflecting the agency's enhanced service

standards for all its front line services to citizens, businesses, and government agencies;

- c.2 Self-assessment and reporting of improvements made by the agency to implement the CSC Memorandum Circular No. 14 s. 2016. The agency needs to target all possible actions/measures to reach the enhanced service standards in 2018 should events/factors prevent it from reaching these in 2017.
- d. Develop the agency's Freedom of Information (FOI) Manual pursuant to the requirements and provisions of EO No. 2 s. 2016. For purposes of the FY 2017 PBB, the FOI Manual should be uploaded in the agency Transparency Seal on or before October 1, 2017, for validation by the Presidential Communications Operations Office (PCOO).
- e. Posting of the FY 2017 Annual Procurement Plan (APP) in the Transparency Seal and submission of the same to the Government Procurement Policy Board (GPRB) not later than one month after the issuance of the IATF Circular in the format prescribed under GPRB Circular No. 07 – 2015.
- f. Submission of SALN – Compliance with submission and review of the Statements of Assets, Liabilities and Net Worth (SALN) of members of the board, officers, and employees as per RA 6713;
- g. Payment of applicable taxes such as franchise tax and real property tax.
- h. LWDs shall ensure transparency and accountability in the implementation of the PBB through the conduct of an appropriate communications strategy, including the publication in the Water District website and the RBPMS website when completed. In the interim, Water Districts which do not have or are not presently capable of having their websites can opt to use alternative means of publication (i.e. sharing of information technology facilities among WDs within the regional area).
- i. Assessment of agency compliance with the Good Governance Conditions and other PBB requirements shall be conducted starting October 1, 2017.
- j. Non-compliance with the Good Governance Conditions will render the LWD ineligible for the PBB.

6.0 FY 2017 PERFORMANCE TARGETS

- 6.1 LWDs shall be evaluated based on the accomplishment of their committed targets which shall be set considering their existing performance indicators. LWUA shall evaluate the reasonableness of the LWD's targets based on its available resources (manpower, financial and facilities) and capability to provide necessary resources.
- 6.2 To establish standard MFO and PIs for all LWDs, the following MFOs and PIs under Operations shall be adopted, inclusive of the three (3) most significant customer-oriented indicators of output/outcome under each MFO (not internal or intermediate outputs or "throughputs," nor demand-driven outputs) and the corresponding targets.

A. Water Facility Service Management

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PI 1 (Quantity) Access to Potable Water	Percentage of households with access to potable water against the total number of households within the coverage of the LWD.
PI 2 (Quality) Reliability of Service	Percentage of household connections receiving 24/7 supply of water.
PI 3 (Timeliness) Adequacy	Source capacity of LWD to meet demands for 24/7 supply of water.

B. Water Distribution Service Management

PI 1 (Quantity) NRW : NRW should not exceed 30%	Percentage of unbilled water to water production.
PI 2 (Quality) Potability	Daily chlorine residual requirement should be at least 0.3 ppm at the farthest point.
PI 3 (Timeliness) Adequacy/reliability of Service	Average response time to restore service when there are interruptions due to line breaks and/or production equipment or facility breakdown as reflected in the CSC-approved Citizen's Charter of LWD.

6.3 PIs under Support to Operations (STO) with the dimensions of quality and timeliness of services shall be the following:

PI 1 Staff Productivity Index	<p><i>Categories A, B, & C</i> = 1 staff for every one hundred twenty (120) service connections.</p> <p><i>Category D</i> = 1 staff for every one hundred (100) service connections.</p>
PI 2 Affordability	<p>Reasonableness/Affordability of water rates.</p> <p>Water rate for the 1st 10 cu. m. must not exceed 5% of the average income of LIG. Water rates should be LWUA-approved.</p>
PI 3 Customer Satisfaction	<p>¹1. Ease of doing business – compliance to CSC Memo No. 14-2016.</p> <p>2. Percentage of customer complaints acted upon against received complaints.</p> <p>Complaints through hotline #8888 acted upon within 72 hours.</p> <p>Complaints received through the WD customer service unit within the period prescribed by ARTA and other issuances.</p>

¹Certificate from HR Manager & GM on compliance to CSC Memo # 14-2016

6.4 PIs under General Administration and Support Services (GASS), with the dimensions of quality and timeliness of services are as follows:

PI 1 Financial viability and sustainability	Collection Efficiency \geq 90%; ² Positive Net Balance in the Average Net Income for twelve (12) months; Current Ratio = \leq 1.5:1
PI 2 a.) Compliance with COA reporting requirements b.) Compliance with LWUA reporting requirements in accordance to content and period of submission	In accordance with the prescribed content and period of submission (Submission of five financial reports, i.e. Balance Sheet, Statement of Income and Expenses, Statement of Cash Flows, Statement of Government Equity, Notes to Financial Statement, Report on Ageing of Cash Advance).
PI 3 Compliance to COA AOM	³ Resolve at least 30% of COA findings stated in the COA AOM issued to the agency for prior years as of December 31, 2016.
PI 4 Budget Utilization Rate (BUR)	Actual Disbursement on CAPEX. Approved CAPEX budget for the current year should be at least 85% to 90%.

- 6.5 Form A (see Annex 1) shall contain all MFO indicators and targets as in Section 6.2 and the common STO and GASS indicators and targets. The performance targets for FY 2017 should indicate an improving trend over the FY 2016 accomplishments.
- 6.6 Form A-1 (see Annex 2) shall contain the cascaded performance targets of the delivery units.

7.0 ELIGIBILITY CRITERIA

- 7.1 To qualify for the PBB, a Local Water District must satisfy the following conditions:
 - a. Good Governance Conditions: Satisfy 100% of the Good Governance Conditions set by the AO 25 IATF for FY 2017 provided in Section 5.0;
 - b. Achieve 100% of each one of their performance targets for the delivery of MFOs, STO and GASS for the year;
 - c. Use the CSC-approved SPMS in rating the performance of the officials and employees of the LWDs;
- 7.2 The inability to meet any of the criteria above will render LWDs ineligible for the PBB. Inconsistency and inaccuracy of the compliance reports/certifications made by the LWDs may also be considered grounds for

² Average Positive Net Income- EO 181-2015; LWUA MC 007-15; DBM-BC #007-2016

³ Management report (signed by GM) on resolved COA findings

disqualification from the PBB, upon proper determination and due process.

8.0 ELIGIBILITY OF INDIVIDUALS

- 8.1 The General Manager's PBB rate for FY 2017 shall be equivalent to 65% of his/her monthly basic salary. The General Manager shall not be included in the Form 1.0 Report on Agency Rating and Ranking.
- 8.2 The Performance Based Incentive (PBI) for the LWD Board of Directors shall be based on the provisions set by Executive Order No. 65, series of 2012 subject to the following conditions:
- a. The LWD has qualified for the grant of the FY 2017 PBB;
 - b. The Board Member has 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary;
 - c. The Board Member has nine (9) months aggregate service in the position; and,
 - d. The LWD has submitted the appropriate annual Board-approved Corporate Operating Budget (COB) to LWUA.
- 8.3 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.
- 8.4 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.
- 8.5 An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least Satisfactory rating may be eligible to the full grant of the PBB.
- 8.6 An official or employee who rendered less than nine (9) months but a minimum of three (3) months of service and with at least Satisfactory rating shall be eligible for the grant of PBB on a pro-rata basis 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 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

- 8.7 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.
- 8.8 Personnel found guilty of administrative and/or criminal cases in FY 2017 by formal and executory judgment shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification from the PBB.
- 8.9 Officials and employees who failed to submit the 2016 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 s.2015, shall not be entitled to the FY 2017 PBB.
- 8.10 Officials and employees who failed to liquidate cash advances for all domestic and foreign travels received in FY 2017 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 2017 PBB.
- 8.11 Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2017 PBB.
- 8.12 Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2016 SALN to the respective SALN repository agencies, liquidated their FY 2017 Cash Advances, and completed the SPMS Forms, as these will be the basis for the release of FY 2017 PBB to individuals.
- 8.13 Excluded from the grant of the PBB are those hired without employer-employee relationships and paid from non-Personnel Services budgets, as follows:
- a) Consultants and experts hired to perform specific activities or services with expected outputs;
 - b) Laborers hired through job contracts (*pakyaw*) and those paid on piecework basis;
 - c) Student laborers and apprentices; and
 - d) Individuals and groups of people whose services are engaged through job orders, contracts of service, or others similarly situated.

9.0 RANKING OF DELIVERY UNITS

LWDs and their corresponding delivery units that meet the criteria and conditions in Section 5.1 are eligible to the PBB for FY 2017.

- 9.1 Delivery units eligible to the PBB shall be forced ranked according to the following categories:

RANKING	PERFORMANCE CATEGORY
Top 10%	Best Delivery Unit
Next 25%	Better Delivery Unit
Next 65%	Good Delivery Unit

- 9.2 When identifying and determining delivery units, LWDs must be guided by the LWUA MC 015-2016. A delivery unit is the primary subdivision of the LWD performing substantive line functions, technical services or administrative support, as reflected in the LWD's organizational structure/functional chart.
- 9.3 Only the personnel belonging to eligible delivery units are qualified for the PBB. While individual ranking shall be the basis for promotion, further training and/or disciplinary action, individual ranking shall no longer be included in the Form 1.0.
- 9.4 Officials and employees who receive a "Below Satisfactory" rating under the CSC-approved SPMS shall not be eligible to the PBB.
- 9.5 Officials and employees who did not file SALN and failed to liquidate their cash advances in FY2017 shall not be eligible to the PBB.
- 9.6 The resulting ranking of offices/delivery units shall be indicated in Form 1.0 (Annex 3).

10.0 RATES OF THE ENHANCED PBB

- 10.1 The rates of the enhanced PBB for each individual shall be based on the performance ranking of the individual's delivery unit, with the rate of incentive as a multiple of the individual's monthly basic salary based on the following categories:

PERFORMANCE CATEGORY	MULTIPLE OF BASIC SALARY
Best Delivery Unit (10%)	0.65
Better Delivery Unit (25%)	0.575
Good Delivery Unit (65%)	0.50

11.0 SUBMISSION OF REPORTS

- 11.1 LWDs should submit duly completed and signed forms and reports to LWUA (one hard copy of Forms A, A-1, 1.0 and other supporting documents). All forms and reports shall be signed by the agency head or the officially designated OIC.
- 11.2 COA financial reports including the Report on Ageing of Cash Advances should be submitted directly to COA in accordance with the mandated period of submission. COA will provide the IATF the list of LWDs that complied with this condition.
- a. To be eligible, the LWD must have submitted the FY 2016 financial reports not later than March 31, 2017.
 - b. Meanwhile, LWDs should submit to COA the Report on Ageing of Cash Advances with a cut-off date of November 15, 2017 to the respective Resident Auditors on or before November 30, 2017. Upon validation, the Resident Auditor shall be responsible for forwarding the validated Report on Ageing of Cash Advances to

their respective Supervising Auditor/Cluster Director for proper transmittal to the Risk Management and Budget Office of the COA Head Office.

- 11.3 The submission of the agency Transparency Seal and ARTA Certifications of Compliance are no longer necessary since the concerned oversight agency shall be conducting random validation based on the agreed monitoring schedule. Only when found non-compliant with ARTA, shall the LWD be required to submit a Certification of Compliance directly to CSC.
- 11.4 LWDs should submit FY 2017 accomplishments using Forms A, A-1 and Form 1.0 on or before January 31, 2018.
- 11.5 The IATF shall conduct spot-checks to validate claims and certifications made by LWDs.

12.0 COMPLIANCE VALIDATION

As with the previous cycles of the PBB, the following oversight agencies are tasked to conduct the validation of the PBB requirements:

PBB REQUIREMENT	VALIDATING AGENCY
Transparency Seal	DBM-OCIO
PhilGEPS Posting	PhilGEPS
Citizen's Charter	CSC
FOI Manual	PCOO
Submission of SALN of Employees	Office of the President, Office of the Ombudsman and CSC
MFO-Physical Accomplishment of LWDs	DBM-BMB C and LWUA
<ul style="list-style-type: none"> • STO - accomplishment • QMS Certification 	DBM-BMB C and LWUA GQMC
GASS	
<ul style="list-style-type: none"> • BUR of LWD • Submission of Financial Statements • Ageing of Cash Advances Reports • Submission of APP 	DBM-BMB C COA COA GPPB-TSO
LWDs Rating and Ranking Report	LWUA and DBM BMB-C

13.0 EFFECTS OF NON-COMPLIANCE

- 13.1 LWDs that are unable to comply with all the Good Governance Conditions shall be considered ineligible for the PBB FY 2017.
- 13.2 Upon determination after due process by the oversight agency of misrepresentation in the submitted reports for the PBB, commission of fraud in the payment of the PBB and violation of the provisions of these Guidelines, the LWD shall be disqualified from the PBB in the succeeding year of its implementation. Moreover, the CSC or Ombudsman shall file the appropriate administrative case.

- 13.3 LWDs that are found to evenly distribute PBB among employees shall be warned and investigated by the IATF. If found guilty, the Task Force has the right to withhold the bonuses of these LWDs.

14.0 FEEDBACK AND CHANGE MANAGEMENT

- 14.1 The Head of the LWD, with the support of their Performance Management Group (PMG), shall develop and implement internal communications strategy on PBIS, and fulfill the following:
- a. Engage their respective employees in understanding the PBIS, the performance targets of their respective delivery units as well as the services and outputs that they will need to deliver in order to meet these targets.
 - b. Disseminate the performance targets and accomplishments of their delivery units to their employees through the internet and other means as well as publish these on their respective websites for public information.
 - c. Set up a Help Desk to respond to queries and comments on the targets and accomplishments of their delivery units. 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 PBIS-related issues and concerns raised by officials and employees of their respective units. Such may be incorporated in the functions of their Grievance Committee.
- 14.2 The LWD's Head shall designate a senior official who shall serve as a PBB focal person. The offices responsible for the performance management may be tasked to provide secretariat support to the PMG and to recommend strategies to instill a culture of performance within the delivery units.

15.0 INFORMATION AND COMMUNICATION

- 15.1 The Head of the LWD shall confirm with the IATF the names, positions and contact details (e-mail, landline, facsimile, cellular phone) of the senior officials designated as the PBB focal person and the spokesperson, respectively.
- 15.2 LWDs should strengthen the communications strategy, and ensure transparency and accountability in the implementation of the PBB.

16.0 TIMELINE FOR FY 2017 IMPLEMENTATION

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ACTIVITY	DEADLINE
a. Submission of FY 2016 Financial Reports to COA	On or before March 31, 2017
b. Submission of FY 2017 Annual Procurement Plan (APP)	Not later than one month after the issuance of MC 2017-1
c. Posting of agency System of Ranking delivery units d. Validation of Transparency Seal Compliance e. Validation of Citizen's Charter Compliance f. Validation of FOI Manual	October 1, 2017
<i>Note: Certificate of Compliance for Transparency Seal will not be submitted to DBM-OCIO. Assessment will be conducted by the validating agency starting October 1, 2017. Agencies should ensure compliance with the requirements.</i>	
g. Validation of QMS Certification	On or before December 31, 2017
h. Submission of Report on Ageing of Cash Advance Liquidation (with November 15, 2017 as cut-off)	On or before December 1, 2017
i. Submission of Certificate of Compliance with PhilGEPS (with November 15, 2017 as cut-off)	On or before December 1, 2017
j. Submission of accomplishments using Forms A, A1, and Form 1.0 (see Annexes 1,2,3,4,5)	On or before January 31, 2018

17.0 FUNDING SOURCE

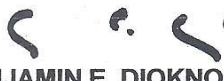
17.1 The PBB of eligible LWDs shall be sourced from their respective corporate funds.

- 17.2 LWDs are prohibited to source payment of the PBB from the following:
- a. Loans;
 - b. Subsidy from the National Government for the LWD's operations; and
 - c. Sale of the LWD's assets for the sole purpose of paying the PBB and is otherwise not in the ordinary course of business.

18.0 EFFECTIVITY

This Circular shall take effect immediately.


JECI A. LAPUS
 Acting Administrator
 Local Water Utilities Administration


BENJAMIN E. DIOKNO
 Secretary
 Department of Budget and Management

