



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

JOINT MEMORANDUM CIRCULAR NO. 2019 - 01

NOV 18 2019
October _____, 2019

TO : All Heads of Local Water Districts

SUBJECT : Guidelines on the Grant of the Fiscal Year 2019 Performance-Based Bonus (PBB) for Local Water Districts (LWDs) pursuant to Executive Order (EO) No. 80, s. 2012, EO No. 201, s. 2016, and the AO 25 Inter-Agency Task Force¹ Memorandum Circular No. 2019-01

1.0 PURPOSE

- 1.1 This Circular is issued to prescribe the criteria and conditions for the grant of the PBB for FY 2019 performance to be given in FY 2020. Essentially, the same criteria and conditions for the FY 2018 PBB are being issued to support the Administration's focus on streamlining government services with the implementation of Republic Act (RA) No. 11032 known as the ***Ease of Doing Business (EODB) and Efficient Government Service Act of 2018*** to simplify government processes and ensure citizen-centric public service delivery.
- 1.2 The implementation of this Circular shall be done in close coordination with the AO 25 Inter-Agency Task Force (IATF) on the Harmonization of National Government Performance Monitoring, Information, and Reporting Systems.

2.0 COVERAGE AND EXCLUSION

- 2.1 This Circular covers all officers and employees of LWDs holding regular plantilla positions; contractual and casual personnel having an employer-employee relationship with the said agencies, and whose compensation is charged against the appropriation for Personnel Services.

¹ Guidelines on the Grant of the Performance-Based Bonus (PBB) for Fiscal Year (FY) 2019 under Executive Order No. 80, s., 2012 and Executive Order No. 201, s., 2016

- 2.2 Excluded from the coverage of this Circular 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 a 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.
- 2.3 Likewise excluded from the coverage hereof are LWDs under the Joint Venture Agreement (Concession) in FY 2019.

3.0 DEFINITION OF TERMS

- 3.1 **Major Final Output (MFO)** - the goods or services 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/sectoral outcome and capable of being summarized by a common performance indicator.
- 3.2 **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.
- 3.3 **Performance Target (PT)** - predetermined numerical target level of performance (quantity, quality, timeliness, and cost of an output) against which actual performance can be compared.
- 3.4 **Delivery units** - departments and divisions of the LWD responsible for the achievement of the LWD's MFO and committed to performance targets that are tracked by a reporting system within the year and verified by the Local Water Utilities Administration (LWUA).
- 3.5 **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.

- 3.6 **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.
- 3.7 **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.

4.0 ELIGIBILITY CRITERIA

- 4.1 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 2019 as provided in Section 6.0;
 - b. Achieve at least a total of 90 points for the MFO's Performance Accomplishments for the year. LWDs must achieve 100% of the Performance Targets in order to earn the points assigned for each Performance Indicator; and
 - c. Use the CSC-approved SPMS in rating the performance of the officials and employees of the LWDs.
- 4.2 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 disqualification from the PBB, upon the proper determination and due process.
- 4.3 Officials and employees responsible for the implementation of the prior years' audit recommendations, QMS certification, or posting and dissemination of the department/agency system of ranking performance of delivery units, shall not be entitled to the FY 2019 PBB if the Department/Agency fails to comply with any of these requirements.

5.0 FY 2019 GOOD GOVERNANCE CONDITIONS (GGCs)

- 5.1 The AO 25 IATF sets the following GGCs based on the existing performance drivers of the RBPMS and the priorities of the Duterte Administration for 1) heightened transparency, 2) strengthened accountability, and 3) more inclusive and people-centered public service:
 - a. **Maintain/Update the agency Transparency Seal (TS)** pursuant to Section 106 of the General Provisions of the FY 2019 General Appropriations Act (GAA). The TS page should be accessible by clicking the TS logo on the home page. Status of compliance shall be

posted on both the DAP website through <https://www.dap.edu.ph/rbpms/> and the DBM website at [www.dbm.gov.ph/index.php/news-update/transparency-seal compliance](http://www.dbm.gov.ph/index.php/news-update/transparency-seal-compliance) See *Annex 2: Guideline on Transparency Seal* for full details of requirements.

- b. **Update the PhilGEPS posting of all Invitation to Bids and awarded contracts** pursuant to the Government Procurement Reform Act (RA No. 9184) for transactions above Php 1 million from January 1 to December 31, 2019, including Early Procurement of FY 2020 Non-Common Use Supplies and Equipment (Non-CSE) items. Agencies should track their status of compliance through the PhilGEPS microsite: <https://data.philgeps.gov.ph/pbbweb/pbbwebapp.aspx>. See *Annex 6: Guideline on PhilGEPS Posting*.
- c. **Maintain/Update the Citizen's or Service Charter or its equivalent**, reflecting the agency's enhanced service standards for all its government services to citizens, businesses, and government agencies, consistent with the objectives of **RA No. 11032** and the President's directive to reduce processing time of all public transactions with government and ensure accessible and convenient delivery of services to the public.

LWDs shall submit their respective Certificates of Compliance (CoC) based on the format prescribed by the Anti-Red Tape Authority (ARTA) on or before **December 06, 2019** to this email address: compliance@arta.gov.ph. The ARTA shall conduct a validation of the Citizen's or Service Charter or its equivalent beginning in January 2020.

Non-compliance with any of the GGCs will render the entire LWD **ineligible** for the PBB. The assessment of agency compliance with GGC requirements shall be conducted starting October 1, 2019.

6.0 FY 2019 PERFORMANCE TARGETS

- 6.1 LWDs shall be evaluated based on the accomplishment of their committed targets which shall be identified based on their existing performance indicators. LWUA shall evaluate the reasonableness of the LWD's targets based on its available resources (manpower, financial and facilities) and the capability to provide necessary resources. The LWD's Performance Accomplishments should be submitted to LWUA on or before **December 31, 2019**.
- 6.2 **MFO Targets** and **PIs** under Operations shall be adopted, inclusive of the three (3) most significant customer-oriented indicators of output/outcome under each MFO (neither internal nor intermediate outputs/"throughputs," nor demand-driven outputs) and the corresponding targets.

A. Water Facility Service Management

| | |
|--|---|
| 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 a 24/7 supply of water. |
| PI 3 (Timeliness) Adequacy should be $\geq 1.2:1$ | <p>Source capacity of LWD to meet demands for a 24/7 supply of water.</p> <p>To compute adequacy, use the formula below:</p> $\frac{\text{Rated Capacity of sources (cu.m/year)}}{\text{Demand (cu.m/year)}}$ <p>Demand = No. of Active Connections x 5 (average household size) x 100-130 (lpcd) x 1cu.m/1000L.x 365 days.</p> |

B. Water Distribution Service Management

| | |
|--|--|
| PI 1 (Quantity) NRW:NRW should not exceed 30% | Percentage of unbilled water to the water production. |
| PI 2 (Quality) Potability | <p>All water samples during the year should pass the physical-chemical and microbiological tests as required by PNSDW 2017.</p> <p>Daily chlorine residual requirement should be at least 0.3 ppm at the farthest point. In case the LWD is using chlorine dioxide, the allowable level should be at least 0.2 to 0.4 ppm.</p> |
| PI 3 (Timeliness) Adequacy/Reliability of Service | Average response time in hours to restore service (major repair) when there are interruptions due to line breaks and/or production equipment or facility breakdown as reflected in the approved Citizen's Charter of the LWD. |

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

| | |
|-------------------------------|---|
| PI 2 Affordability | Reasonableness/affordability of LWUA-approved water rates. |
| PI 3 Customer Satisfaction | <ol style="list-style-type: none"> 1. Ease of doing business² – compliance to CSC Memo No. 14-2016. 2. Percentage of customer complaints acted upon against received complaints. <ul style="list-style-type: none"> • Complaints through hotline #8888 acted upon within 72 hours. <p>Complaints received through the WD customer service unit within the period prescribed by ARTA and other issuances.</p> |

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 | <ul style="list-style-type: none"> • Collection Efficiency $\geq 90\%$; • Positive Net Balance³ in the Average Net Income for twelve (12) months; • Current Ratio $\geq 1.5:1$ |
| PI 2 a.) Compliance with COA reporting requirements b.) Compliance with LWUA reporting requirements in accordance with content and period of submission | Following the prescribed content and period of submission (submission of five financial reports, i.e. Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash flows, Statement of Changes in Equity, and Notes to Financial Statement). |

6.5 **STO Target.** For LWDs under Categories A and B, Initial Certification/Recertification of their Quality Management System (QMS) covering at least one (1) core process or frontline service as mandated under their existing pertinent laws.

For the ISO 9001:2015 QMS certification, it must be issued by any of the certification bodies (CBs) accredited by the International Accreditation

² Certificate from HR Manager & GM on the compliance to CSC Memo # 14-2016

³ Average Positive Net Income- EO 181-2015; LWUA MG 007-15; DBM-BG #007-2016

Forum (IAF) members. Preferably, the CB is accredited by the Philippine Accreditation Bureau under the Department of Trade and Industry, which is an IAF member and the recognized national accreditation body in the Philippines pursuant to Executive Order No. 802, s. 2009.

The ISO 9001:2015 certification(s)/recertification(s) must be valid as of December 31, 2019, and must be posted in the LWD's TS webpage not later than **December 31, 2019**.

ISO 9001:2015 QMS-equivalent certifications/attestations granted by similar internationally recognized bodies promoting Total Quality Management (TQM) shall be considered, e.g., Philippine Quality Award, ISO/IEC 17025:2017 (General requirements for the competence of testing and calibration laboratories) or ISO/IEC 17020:2012 (Conformity assessment — Requirements for the operation of various types of bodies performing inspection) Accreditation.

A certified true copy of the QMS certificate shall be submitted to the Government Quality Management Committee (GQMC), through its DBM Secretariat – Systems and Productivity Improvement Bureau (SPIB), not later than **December 31, 2019**, for validation purposes.

For LWDs under Categories C and D, the Adoption of Philippine Financial Reporting Standards (PFRS) by all government agencies classified as Government Business Entities, per COA Circular No. 2015-003 must be followed. This Circular prescribed the use of PFRS by all government agencies classified as Government Business Entities (GBEs), or Commercial Practices System (CPS) which is part of the LWD's Operations Manual (OM).

6.6 **GASS Targets.** The common GASS targets shall include the following:

- a. **Sustained Compliance with Audit Findings.** Fully implement 30% of the prior years' audit recommendations as shown in the Report on Status of Implementation of Prior Years' Recommendations. Audit findings closed since FY 2017 should also not recur. The objective is to improve the agency's internal control processes, enhance operational effectiveness, and eliminate, resolve and remedy most, if not all, of the agency audit findings, by the end of 2020.
- b. **Submission of Annual Procurement Plan (APP Non-CSE)** approved by the Head of Procuring Entity (HOPE) to the Government Procurement Policy Board (GPPB) in the format prescribed under GPPB Circular No. 07-2015.
 - 1) **FY 2019 APP-Non CSE** should have been submitted to the GPPB-TSO on **March 31, 2019**. The same should be posted on the agency TS page not later than one month after the issuance of this Circular.

The APP non-CSE submissions must indicate: "APP for CY <Year>of<Complete Name of Head Office/Agency><Regions_ to _, if applicable> for PBB" in the subject line. This must be sent through email at app@gppb.gov.ph.

The list of agencies complying with the APP submission requirement shall be posted on the GPPB website (www.gppb.gov.ph).

- c. **Submission of FY 2020 Annual Procurement Plan-Common-Use Supplies and Equipment (FY 2020 APP-CSE)** to the DBM-Procurement Service on or before **October 31, 2019**, in the prescribed format by DBM-PS. The same should be posted on the agency TS webpage not later than **October 31, 2019**.

6.7 **Other cross-cutting requirements.** The AO 25 IATF sets the following cross-cutting requirements:

- a. **Establishment and Conduct of Agency Review and Compliance Procedure of SALN** pursuant to Section 10 of the Code of Conduct and Ethical Standards for Public Officials and Employees (RA No. 6713), and CSC Resolutions Nos. 1300455 and 1500088. Each agency shall have a SALN Review and Compliance Committee to implement the provisions on reviewing and complying with SALN requirements to determine whether said statements have been submitted on time, are complete, and are in proper form.

Agency heads should ensure that officials and employees covered by RA No. 6713 submitted their 2019 SALN to the respective SALN repository agencies, as prescribed in the rules provided under CSC Memorandum Circular No. 3 s. 2015. The Agency Review and Compliance Procedure of SALN used by the agency's SALN Review and Compliance Committee should be cascaded to all employees. The scanned copy of the same shall be uploaded in the agency TS page not later than **October 1, 2019**. *See also Section 5.11, 5.13 and 11.2 on SALN requirement.*

- b. **Compliance with the Freedom of Information (FOI) Program** pursuant to Executive Order No. 2 s. 2016, based on the enhanced requirements of the Presidential Communications Operations Office (PCOO). Agencies should comply with the following FOI requirements within the set deadline.

1. The Updated people's FOI manual (including the new designated list of FOI Receiving Officers and the contact details, if any) duly signed by the Head of the Agency and uploaded in the agency TS page on or before **November 30, 2019**;

2. The FOI Reports (Agency Information Inventory, 2019 FOI Registry, and 2019 FOI Summary Report) uploaded in the agency TS page on or before **January 31, 2020**; and,
3. A screenshot of the agency website's home page containing a visible and functional FOI logo linked to the electronic FOI portal (www.foi.gov.ph) submitted through email: foi.pco@gmail.com on or before **January 31, 2020**.

Agencies should submit the accomplished FOI Reports strictly in one (1) Excel format (.xls) based on templates provided in this link: www.bit.ly/2018FOIReports. Submissions that are not compliant to the file format and templates will not be considered. All agencies including those already on board the eFOI portal, are required to send the soft copy submissions to foipco@gmail.com. Policy issuances and memoranda can be accessed in this link: www.foi.gov.ph/resources.

In case an agency is not able to meet any of the above performance targets, the Head of Agency should submit the justifications/explanations and supporting documents to warrant reconsideration. For validation purposes, justifiable reasons are factors that are considered outside the control of the agency. Acceptance of justifications/explanations shall be subject to the recommendation of validating agencies.

- 6.8 Form A (see Annex 1A) shall contain all MFO indicators and targets as indicated in Section 7.2 and the common STO and GASS indicators and targets. The performance targets for FY 2019 should indicate an improving trend over the FY 2018 accomplishments.
- 6.9 Form A-1 (see Annex 1B) shall contain the cascaded performance targets of the delivery units.

7.0 ELIGIBILITY OF INDIVIDUALS

- 7.1 The General Manager's PBB rate for FY 2019 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.
- 7.2 The Performance-Based Incentive (PBI) for the LWD Board of Directors shall be based on the provisions of EO No. 65, s. 2012 subject to the following conditions:
 - a. The LWD has qualified for the grant of the FY 2019 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 eleven (11) months aggregate service in the position;

- d. The LWD has submitted the appropriate annual Board-approved Corporate Operating Budget (COB) to LWUA; and,
 - e. Board Members' Accomplishments for FY 2019 must be submitted (policies or resolutions made, that will help address the operations as well as guidelines of the LWD).
- 7.3 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.
 - 7.4 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.
 - 7.5 Officials and employees who transferred from 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 PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency, as stated in 5.7.
 - 7.6 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 for the full grant of the PBB.
 - 7.7 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 the 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 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
- 7.8 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.
- 7.9 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2019 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.
- 7.10 Officials and employees who failed to submit the 2018 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 2019 PBB.
- 7.11 Officials and employees who failed to liquidate all cash advances received in FY 2019 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 2019 PBB.
- 7.12 Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2019 PBB.
- 7.13 Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2018 SALN to the respective SALN repository agencies, liquidated their FY 2019 Cash Advances, and completed the SPMS Forms, as these will be the basis for the release of FY 2019 PBB to individuals.
- 7.14 Officials and employees responsible for the implementation of the prior years' audit recommendations, QMS certification, or posting and dissemination of the LWD's system of ranking performance of delivery units, shall not be entitled to the FY 2019 PBB if the LWD fails to comply with any of these requirements.

8.0 RANKING OF DELIVERY UNITS

- 8.1 LWDs and their corresponding delivery units that meet the criteria and conditions in Section 4.0 are eligible for the FY 2019 PBB. Delivery units eligible for 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 |

- 8.2 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.
- 8.3 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.
- 8.4 To recognize high performance of LWD employees in relation to the achievement of agency targets and requirements for the grant of the FY 2019 PBB, LWDs shall list the names of employees who belong to the Best Delivery Unit/s using Form 1 (See Annex 2).
- 8.5 Officials and employees who receive a "Below Satisfactory" rating under the CSC-approved SPMS shall not be eligible for the PBB.
- 8.6 Officials and employees who did not file SALN and failed to liquidate their cash advances in FY 2019 shall not be eligible for the PBB.
- 8.7 The resulting ranking of offices/delivery units shall be indicated in Form 1.0 (Annex 2).
- 8.8 To heighten transparency among delivery units and employees, LWDs shall cascade to their employees the agency guidelines/mechanics in ranking delivery units for the grant of the FY 2019 PBB. LWDs shall prepare the System of Agency Ranking of Delivery Units for FY 2019 PBB using the Form for the Guidelines/Mechanics in Ranking Delivery Units (See Annex 3). The duly completed and signed agency guidelines in ranking delivery units shall be posted on the agency TS webpage on or before **October 1, 2019**.

9.0 RATES OF THE PBB

The rates of the 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 one's monthly basic salary as of December 31, 2019, based on the table below:

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

10.0 SUBMISSION OF REPORTS

- 10.1 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 Officer-in-Charge.
- 10.2 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.
- To be eligible, the LWD must have submitted the FY 2019 financial reports not later than **February 14, 2019** per COA Circular No. 2015-004.
 - Meanwhile, LWDs should submit to COA the Report on Ageing of Cash Advances with a cut-off date of November 15, 2019 to the respective Resident Auditors on or before **November 30, 2019**. 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.
 - The updated payments of audit fees and disallowances with COA Order of Execution (COE) should be submitted.
- 10.3 LWDs should submit FY 2019 Accomplishments using Forms A, A-1 on or before **December 31, 2019**; and the Form 1.0 on or before **February 28, 2020** for Category C & D LWDs, and **August 31, 2020** for Category A & B LWDs. Agencies shall ensure that all explanations and justifications are already attached to their submission.
- 10.4 Results of the validation showing non-compliant agencies shall be posted in the RBPMS website. The IATF shall conduct spot-checks to validate claims and certifications made by LWDs.
- 10.5 The AO 25 IATF sets the following implementation timeline for the FY 2019 PBB.

| REQUIREMENTS | VALIDATING AGENCY | DEADLINE OF SUBMISSION | START OF VALIDATION |
|--------------------------------|-------------------|--|--|
| <i>Physical Targets</i> | | | |
| 1. Citizen/Client Satisfaction | LWUA | February 28, 2020 (Category C & D LWDs) | March 1, 2020 (Category C & D LWDs) |
| | | August 31, 2020 (Category A & B LWDs) | September 1, 2020 (Category A & B LWDs) |

| REQUIREMENTS | VALIDATING AGENCY | DEADLINE OF SUBMISSION | START OF VALIDATION |
|---|--|--|--|
| 2. Physical Targets | LWUA | December 31, 2019 | January 1, 2020 |
| Support to Operations (STO) | | | |
| <u>For LWDs under Categories A and B:</u> QMS Certification <ul style="list-style-type: none"> • Post QMS Certification in TS page • Submit certified true copy of QMS certificate to GQMC through DBM-SPIB | GQMC | December 31, 2019 | From January 1 to 31, 2020 |
| <u>For LWDs under Categories C and D:</u> Adoption of PFRS, or CPS as part of the Operations Manual | LWUA | December 31, 2019 | From January 1 to 31, 2020 |
| General Administration and Support Services (GASS) | | | |
| 1. Sustained Compliance with Audit Findings | COA | December 31, 2019 | December 31, 2019 |
| 2. COA Financial Reports <ul style="list-style-type: none"> • LWD Category C & D • LWD Category A & B | COA | March 30, 2019 April 30, 2019 | March 30, 2019 April 30, 2019 |
| 3. Procurement Documents <ul style="list-style-type: none"> • FY 2019 APP-non CSE • Indicative FY 2020 APP-non CSE • FY 2020 APP-CSE | GPPB-TSO GPPB-TSO DBM-PS | March 31, 2019 September 31, 2020 October 31, 2019 | One (1) month after the issuance of resolution September 31, 2020 October 31, 2019 |
| Good Governance Conditions (GGCs) | | | |
| 1. Transparency Seal | DBM-OCIO | October 1, 2019 | October 1, 2019 |
| 2. PhilGEPS Posting (Transactions above P1,000,000 and with December 31, 2019 as cut-off), including the Early Procurement of FY 2020 Non-CSE items. | PhilGEPS | January 31, 2020 | February 1, 2020 |
| 3. Citizen's Service Charter <ul style="list-style-type: none"> • Certificate of Compliance (CoC) pursuant to Section 4.1.c | Anti-Red Tape Authority | December 06, 2019 | January 1, 2020 |

| REQUIREMENTS | VALIDATING AGENCY | DEADLINE OF SUBMISSION | START OF VALIDATION |
|--|---|---|---|
| Other Cross-cutting Requirements | | | |
| 1. Submission of SALN of employees | Office of the President, Ombudsman, CSC | April 30, 2019 | April 30, 2019 |
| 2. Agency Review and Compliance Procedure of Statement and Financial Disclosures. Note: Departments/Agencies shall submit a list of SALN non-filers using Form 1. | CSC | October 1, 2019 | October 1, 2019 |
| 3. FOI Compliance <ul style="list-style-type: none"> • People's FOI Manual • Agency Information Inventory • 2019 FOI Registry and 2019 FOI Summary Report • Screenshot of agency's home page | PCOO | November 30, 2019 January 31, 2020 January 31, 2020 January 31, 2020 | November 30, 2019 January 31, 2020 January 31, 2020 January 31, 2020 |
| 4. Posting of Agency's System Ranking Delivery Units | AO 25 Secretariat | October 1, 2019 | October 1, 2019 |
| 5. Submission of Agency Report on Ranking of Delivery Units (Form 1.0 and PBB Evaluation Matrix) | LWUA and DBM-BMB-C | February 28, 2020 (Category C & D LWDs) August 31, 2020 (Category A & B LWDs) | March 1, 2020 (Category C & D LWDs) September 1, 2020 (Category A & B LWDs) |

11.0 EFFECTS OF NON-COMPLIANCE

- 11.1 LWDs that are unable to comply with all the Good Governance Conditions shall be considered ineligible for the PBB FY 2019.
- 11.2 In the event the AO 25 IATF conducted random check of submitted SALN of employees and found non-compliance with the guidelines prescribed by the CSC and the posted Review and Compliance Procedure of the concerned LWD, such incident could be a cause to disqualify the LWD in the succeeding cycle of the PBB.
- 11.3 Prohibited Acts: LWD, which, after due process by the oversight agency has been determined to have committed the following prohibited acts, shall be disqualified from the PBB in the succeeding year of its implementation. Moreover, the CSC or Ombudsman shall file the appropriate administrative case:
- Misrepresentation in the submitted reports required for the PBB, commission of fraud in the payment of the PBB and violation of the provisions of the Circular; and

Evenly distributing PBB among employees in an agency, in violation of the policy of paying the PBB based on ranking of delivery units.

12.0 FEEDBACK AND CHANGE MANAGEMENT

12.1 The Head of the LWD, with the support of their Performance Management Groups should enhance the implementation of their internal communications strategy on PBIS, and fulfil 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.

12.2 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.

13.0 INFORMATION AND COMMUNICATION

13.1 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.

13.2 LWDs should strengthen the communications strategy, and ensure transparency and accountability in the implementation of the PBB.

13.3 The IATF shall maintain the following communication channels:

- a. AO 25 Secretariat at ao25secretariat@dap.edu.ph
- b. RBPMS website www.dap.edu.ph/rbpms
- c. Telephone: (02) 400-1469, (02) 400-1490, (02) 400-1582
- d. Facebook: www.facebook.com/PBBsecretariat


14.0 FUNDING SOURCE

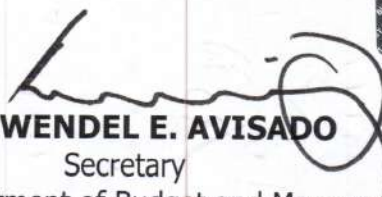
- 14.1 The PBB of eligible LWDs shall be sourced from their respective corporate funds.
- 14.2 LWDs are prohibited to source payment of the PBB from the following:
 - a. Loans;
 - b. Subsidy from the National Government for the LWD's operations; and
 - c. Sale of the LWD's assets for the sole purpose of paying the PBB and is otherwise not in the ordinary course of business.

15.0 EFFECTIVITY

This Joint Memorandum Circular shall take effect immediately.

Certified true copies of this Circular shall be posted in the websites of the LWUA and RBPMS. This shall also be posted in the Official Gazette and to be filed with the University of the Philippines (UP) Law Center.


JECI A. LAPUS
Acting Administrator
Local Water Utilities Administration


WENDEL E. AVISADO
Secretary
Department of Budget and Management
and Chairman, AO 25 Inter-Agency Task Force

