



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

JOINT MEMORANDUM CIRCULAR NO. 2020 - 1

September 03, 2020

TO: All Heads of Local Water Districts

SUBJECT: Guidelines on the Grant of Fiscal Year 2020 Performance-Based Bonus (PBB) for Local Water Districts (LWDs) issued pursuant to Executive Order No. 80, s. 2012 and Administrative Order (AO) No. 25 Inter-Agency Task Force (IATF) Memorandum Circular No. 2020-1

1.0 PURPOSE

- 1.1 This Circular is being issued to prescribe the criteria and conditions for the grant of the PBB for the FY 2020 performance to be given in FY 2021. Essentially, the same criteria and conditions for the FY 2019 PBB are being issued for the FY 2020 PBB to support the Administration's focus on the streamlining government services, with the implementation of Republic Act (RA) No. 11032 known as the Ease of Doing Business (EODB) and Efficient Government Service Delivery Act of 2018, in promoting integrity, accountability, proper management of public affairs and public property as well as to establish effective practices, aimed at the efficient turnaround of the delivery of government services and the prevention of graft and corruption in government.
- 1.2 In line with the government's efforts in preventing the spread of COVID-19 and managing the pandemic situation in the country, all LWDs are encouraged to strengthen their participation in this endeavor through the implementation of water administration-related resiliency programs to mitigate COVID-19.
- 1.3 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 LWDs and whose compensation are charged against the lump sum appropriation under Personnel Services.

- 2.2 Excluded from the coverage of this Circular are those hired without employer-employee relationship 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 Excluded from the coverage hereof are LWDs under the Joint Venture Agreement (concession).

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 are committed to performance targets that are tracked through 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 concerning this indicator shall mean compliance to the Philippine National Standards for Drinking Water (PNSDW) and all issuances and guidelines issued 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 water access and service to the greater percentage of the population within their respective service areas.
- 3.8 **COVID-19 Response Measure** - performance of LWD in undertaking resiliency programs such as wash hand facilities, water delivery services, public information drives, sanitation and hygiene activities, disinfection initiatives, issuance of health protocols, and other resiliency programs to mitigate COVID-19.

4.0 ELIGIBILITY CRITERIA

- 4.1 To qualify for the PBB, an LWD must satisfy the following conditions:
 - a. **Good Governance Conditions (GGCs).** Satisfy 100% of the Good Governance Conditions set by the AO 25 IATF for FY 2020 provided in Section 5.0.
 - b. **FY 2020 Performance Targets.**
 - 1. Achievement of at least 90 points for the FY 2020 MFOs performance accomplishments. LWDs must achieve 100% of the performance targets to earn the points assigned for each PI.
 - 2. Adoption and implementation of resiliency programs and other response measures to mitigate the spread of COVID-19.
 - c. **FY 2020 Performance Rating.** Use the CSC-approved Strategic Performance Management System (SPMS) in rating the performance of officials and employees of the LWDs.
- 4.2 The inability to meet any of the criteria above will render LWDs ineligible for the grant of the PBB. Inconsistency and inaccuracy of the compliance reports/certifications made by the LWDs may also be considered as 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 LWD's system of rating and ranking of delivery units, shall not be entitled to the FY 2020 PBB if the LWD fails to comply with any of these requirements.

5.0 FY 2020 GOOD GOVERNANCE CONDITIONS (GGCs)

5.1 The AO 25 IATF sets the following GGCs based on the existing performance drivers of the Results-Based Performance Management System (RBPMS) and the priorities of the 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 2020 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 both on the RBPMS website: <https://www.dap.edu.ph/rbpms> and the DBM website: www.dbm.gov.ph/index.php/news-update/transparency-seal-compliance on or before **October 1, 2020**.

LWDs that have been found consistently compliant with the TS requirement for the last five (5) years would be randomly evaluated for the purposes of the PBB, but are still encouraged to continue the good practice in complying with this requirement. See *Annex 3: 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, 2020, including Early Procurement of FY 2021 Non-Common Use Supplies and Equipment (Non-CSE) items. LWDs should track their status of compliance through the PhilGEPS microsite: <https://data.philgeps.gov.ph/pbbweb/pbbwebapp.aspx>. See *Annex 4: Guideline on PhilGEPS Posting*.

- c. **Set-up Most Current and Updated Citizen's or Service Charter**, reflecting the agency's improved and streamlined/re-engineered system and procedure for all its government services to citizens, businesses, and government agencies, pursuant to Section 6 of **RA No. 11032** and the President's directive to reduce the 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) to the Anti-Red Tape Authority (ARTA) at compliance@arta.gov.ph and copy furnish the AO25 Secretariat at ao25secretariat@dap.edu.ph on or before **December 04, 2020**.

The CoC based on the format prescribed by the ARTA as stated under the *ARTA Memorandum Circular No. 2019-002 series of 2019*, shall be the basis of the validation. The Authority shall conduct a validation of the Citizen's or Service Charter starting in January 2021. See *MCs No. 2019-002 and No. 2019-002-A: Guidelines on the Implementation of the Citizen's Charter in compliance with RA 11032* for full details of requirements.

6.0 FY 2020 PERFORMANCE TARGETS

6.1 LWDs shall be evaluated based on the accomplishment of their committed targets which shall be identified based on their existing PIs. LWUA shall evaluate the reasonableness of the LWD's targets based on the availability of resources (manpower, finances, and facilities) and the capability to provide the identified necessary resources. The LWDs performance accomplishments should be submitted to LWUA on or before **March 31, 2021**.

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

<p>PI #1 (Quantity) Access to Potable Water</p>	<p>Percentage of households with access to potable water against the total number of households within the coverage of the LWD</p>
<p>PI #2 (Quality) Reliability of Service</p>	<p>Percentage of household connections receiving a 24/7 supply of water</p>
<p>PI #3 (Timeliness) Adequacy should be \geq 3:1</p>	<p>Source capacity of LWD to meet the 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><i>Demand = No. of active connections x 5 (average household size) x 100-130 (lpcd) x 1 cu.m/1000 Lx 365 days.</i></p>
<p>PI #4 COVID-19 Response Measures</p>	<ul style="list-style-type: none"> - Wash hand facilities - Water delivery services - Public information drives - Sanitation and hygiene activities - Disinfection initiatives - Issuance of health protocols - Other resiliency program/s to mitigate COVID-19

B. Water Distribution Service Management

<p>PI #1 (Quantity) NRW: NRW should not exceed 30%</p>	<p>Percentage of unbilled water to water production</p>
<p>PI #2 (Quality) Potability</p>	<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>
<p>PI #3 (Timeliness) Adequacy/reliability of Service</p>	<p>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 updated Citizen's or Service Charter of the LWD.</p>

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

<p>PI #1 Staff Productivity Index</p>	<p>Categories A, B, & C = 1 staff for every one hundred twenty (120) service connections.</p> <p>Category D = 1 staff for every one hundred (100) service connections.</p>
<p>PI #2 Affordability</p>	<p>Reasonableness/affordability and should observe the LWUA-approved rates.</p>
<p>PI #3 Customer Satisfaction</p>	<ol style="list-style-type: none"> 1. Compliance with RA No. 11032 or the Ease of Doing Business and Efficient Government Delivery Service Act of 2018. 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. 3. Complaints received through the WD customer service unit within the period prescribed under R.A. 11032 other issuances.

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

<p>PI #1 Financial viability and sustainability</p>	<ul style="list-style-type: none"> • Collection Efficiency \geq 90%; • ¹Positive Net Balance in the Average Net Income for twelve (12) months; • Current Ratio = \geq 1.5:1
<p>PI #2 a.) Compliance with COA reporting requirements b.) Compliance with LWUA reporting requirements in accordance with content and period of submission</p>	<p>Follow the prescribed content and period of submission of five financial reports:</p> <ul style="list-style-type: none"> • Statement of financial position • Statement of comprehensive income • Statement of cashflows • Statement of changes in equity • Notes to financial statement

6.5 **STO Target.** LWDs under Categories A and B shall secure an initial certification/recertification of their quality management system (QMS) covering at least one (1) critical service or core process 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 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, 2020, and must be posted on the LWD's TS webpage not later than **December 31, 2020**.

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.

LWDs under Categories C and D shall adopt the Philippine Financial Reporting Standards (PFRS) by all government agencies classified as Government Business Enterprises (GBEs), pursuant to COA Circular No. 2015-003, or Commercial Practices System (CPS) which is part of the LWD's Operations Manual (OM).

¹Average Positive Net Income- EO 181-2015; LWUA MC 007-15; DBM-BC #007-2016

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. These recommendations will exclude the Property, Plant, and Equipment (PPE)-related items of the Annual Audit Report (AAR). Audit findings closed since FY 2018 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 2021.
- 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.

FY 2020 APP non-CSE should have been submitted to the GPPB-TSO until **March 31, 2020**, but only for purposes of PBB compliance. The same should be posted on the agency TS page no later than one month after the issuance of this Circular.

The APP non-CSE shall be submitted through electronic mail (email) at app@gppb.gov.ph with the subject line: "APP for CY <Year> of <Complete Name of Head Office/Agency><Regions _ to _, if applicable>".

Agency representatives should be able to receive an auto-acknowledgment from the GPPB-TSO as proof of submission. In case of non-receipt of the auto-acknowledgment within **one (1) hour** after submission, the APP Non-CSE shall be re-submitted to the same electronic mail address. If no acknowledgment is still received, the representatives shall call the Performance Monitoring Division of the GPPB-TSO at (02) 7900 - 67 - 41 to 44 to confirm whether the submission was received and if so, request for the acknowledgment of receipt of the submitted APP Non-CSE.

- c. **Submission of FY 2021 Annual Procurement Plan-Common-Use Supplies and Equipment (FY 2021 APP-CSE)** to the DBM-Procurement Service on or before **December 15, 2020**, in the prescribed format by DBM-PS. The same should be posted on the agency TS webpage not later than **December 15, 2020**.

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 of SALN.** Under Section 10 of the Code of Conduct and Ethical Standards for Public Officials and Employees (RA No. 6713) and CSC Resolutions Nos. 13000455 and 1500088, each department/agency shall establish the SALN Review and

Compliance Committee 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 LWD's SALN Review and Compliance Committee should be cascaded to all employees. The scanned copy of the same shall be uploaded on the agency TS webpage not later than **October 1, 2020**. *See also Section 6.11, 6.14, and 10.3 on SALN requirements.*

Should the LWDs decide to retain the previously posted Guidelines, they should indicate or take note in the website that **no changes** have been made from the previous year's Establishment and Conduct of Agency Review and Compliance of SALN.

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). LWDs 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 Officer/s and its contact details, if any) duly signed by the Head of the Agency and uploaded in the agency TS page on or before **January 29, 2021**;
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 29, 2021**; 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 29, 2021**.
4. Modified One-page FOI Manual (including FOI Receiving Office/s and its contact details and the step-by-step procedure of FOI Request in standard paper-based and electronic format) uploaded in the agency TS page on or before **January 29, 2021**. For reference, please see FOI MC No. 1, s. 2020 at www.foi.gov.ph/resources.

Agencies should submit the accomplished FOI Reports strictly in one (1) Excel format (.xlsx) 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 Submission of Form A (see *Annex 1A*) which shall contain all MFO indicators and targets as stated in Section 6.2, including the common STO and GASS indicators and targets. The performance targets for FY 2020 should indicate an improving trend compared to the FY 2019 accomplishments.
- 6.9 Submission of Form A-1 (see *Annex 1B*) which 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 2020 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 PBB 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 2020 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 aggregated service in the position;
 - d. The LWD has submitted the appropriate annual Board-approved Corporate Operating Budget (COB) to LWUA; and,
 - e. Submission of Board Member's FY 2020 accomplishments (policies or resolutions made, that will help address the operations as well as the 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. The 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 7.7.
- 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 a 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 2020 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 2019 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 2020 PBB;
- 7.11 Officials and employees who failed to liquidate all cash advances received in FY 2020 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 2020 PBB;
- 7.12 Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2020 PBB.
- 7.13 Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2019 SALN to the respective SALN repository agencies, liquidated their FY 2020 Cash Advances, or completed the SPMS Forms, as these will be the basis for the release of FY 2020 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 LWDs system of ranking performance of delivery units, shall not be entitled to the FY 2020 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 2020 PBB. 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

- 8.2 When identifying and determining delivery units, LWDs must be guided by the LWUA MC No. 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 Form 1.0.

- 8.4 To recognize the high performance of LWD employees in relation to the achievement of agency targets and requirements for the grant of the FY 2020 PBB, LWDs shall list the names of employees who belong to the best delivery unit/s using Form 1.0 (See Annex 2).
- 8.5 Officials and employees who receive a "Below Satisfactory" rating under the CSC-approved SPMS shall not be eligible to the PBB.
- 8.6 Officials and employees who did not file SALN and failed to liquidate their cash advances in FY2020 shall not be eligible to the PBB.
- 8.7 The resulting ranking of offices/delivery units shall be indicated in Form 1.0 (See 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 2020 PBB**. LWDs shall prepare the System of Agency Ranking Delivery Units for FY 2020 PBB using the Form for the Guidelines/Mechanics in Ranking Delivery Units (See Annex 2). The duly completed and signed agency guidelines in ranking delivery units shall be posted on the agency TS webpage on or before October 1, 2020.

Should the LWDs decide to retain the previously posted guidelines, they should indicate or take note in the website that **no changes** have been made from the previous year's System of Agency Ranking of Delivery Units.

9.0 RATES OF THE PBB

- 9.1 The rates of the PBB for each individual shall be based on the performance ranking of the individual's delivery units, with the rate of incentive as a multiple of one's monthly basic salary of December 31, 2020, 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, Form 1.0, and other supporting documents). All forms and reports shall be signed by the agency head or the officially designated Office-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.

- a. To be eligible, the LWD must have submitted the FY 2019 financial reports not later than February 14, 2020, per COA Circular No. 2015-004.
- b. Meanwhile, LWDs should submit to COA the Report on Ageing of Cash Advances with a cut-off date of November 15, 2020, to the respective Resident Auditors on or before November 30, 2020. 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.
- c. The updated payments of audit fees and disallowances with COA Order of Execution (COE) should be submitted.

10.3 LWDs should submit FY 2020 accomplishments using Forms A, A-1, and Form 1.0 on or before **March 31, 2021**. LWDs shall ensure that all explanations and justifications are already attached in their submission.

10.4 Results of the validation showing non-compliant LWDs shall be posted on 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 2020 PBB.

DEADLINE	REQUIREMENTS	TO SUBMIT/REFER
Physical Targets		
March 31, 2021	Citizen/Client Satisfaction	Certificate from HR Manager and GM on the compliance to CSC Memo #14-2016
September 30, 2020	Physical Targets	Form A, A1
March 31, 2020	Physical Accomplishments	Form A, A-1, and Form 1.0
Good Governance Conditions (GGCs)		
October 1, 2020	Transparency Seal	Annex 3
January 29, 2021	PhilGEPS Posting	Annex 4
December 4, 2020	Citizen's Service Charter	Certificate of Compliance (CoC) pursuant to Section 5.1.c.
Support to Operations (STO)		
December 31, 2020	For LWDs under Categories A and B:	Posting of the valid complete set, i.e., including the

DEADLINE	REQUIREMENTS	TO SUBMIT/REFER
	- QMS Certification	registration schedule and sub-certificates which could indicate the scope of registration, sites covered and validity period, of QMS Certification in the TS page.
December 31, 2020	For LWDs under Categories C and D: - Adoption of PFRS, or CPS as part of the Operations Manual	
General Administration and Support Services (GASS)		
March 30, 2020	COA Financial Reports	
March 31, 2020	FY 2020 APP Non-CSE	Submit to GPPB-TSO and post in the TS
September 30, 2020	Indicative FY 2021 APP Non-CSE	Posting in the TS
December 15, 2020	FY 2021 APP-CSE	Submit to DBM-PS and post in the TS
December 31, 2020	Sustained Compliance w/ Audit Findings	
Other-cross Cutting Requirements		
October 1, 2020	Agency SALN Review and Compliance Procedure Agency's System of Rating and Ranking of Delivery Units	To be posted in the Transparency Seal
November 30, 2020	People's FOI Manual	To be posted in the Transparency Seal
January 29, 2021	FOI Reports	Agency Information Inventory 2020 FOI Registry and FOI Summary Report Screenshot of agency's home page

11.0 EFFECTS OF NON-COMPLIANCE

11.1 LWDs that are unable to comply with all the GGCs shall be considered ineligible for the PBB FY 2020.

11.2 In the event that the AO 25 IATF conducted a 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:

- a. Misrepresentation in the submitted reports required for the PBB, a commission of fraud in the payment of the PBB and violation of the provisions of the Circular; and
- b. Evenly distributing PBB among employees in an agency, in violation of the policy of paying the PBB based on the 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 fulfill the following:

- a. Engage their respective employees in understanding the Performance-Based Incentives System (PBIS), the performance targets of their respective delivery units as well as the services and outputs that they will need to deliver 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) 8400-1469, (02) 8400-1490, (02) 8400-1582
- d. Facebook: www.facebook.com/PBBsecretariat
- e. Twitter: [@pbbsecretariat](https://twitter.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:

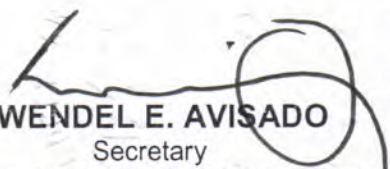
- a. Loans;
- b. subsidy from the National Government for the LWD's operations; and
- c. sale of the LWD's assets for the sole purpose of paying the PBB and is otherwise not in the ordinary course of business.

15.0 EFFECTIVITY

This Joint Memorandum Circular shall take effect immediately.

Certified true copies shall be posted on the LWUA and RBPMS websites. This shall also be posted in the Official Gazette and to be filed in 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



GUIDELINE ON TRANSPARENCY SEAL

- a. All agencies should maintain a Transparency Seal page accessible by clicking the TS logo on the Home page. It should be visible. **Submit the link to the website (recommended.gov.ph domain) when applying for PBB.**

- b. The following are the required documents pursuant to Section 106 of the General Provisions of the FY 2019 General Appropriations Act (GAA):
 - I. **Agency's mandate and functions; names of its officials with their position and designation, and contact information;**

 - II. **Annual Financial Reports** (whole year/as of December end of the year/4th Quarter. Incomplete or non-cumulative will not be counted)
 - *For National Government Agencies (NGA)/State Universities and Colleges (SUCs)*
 - 2016-2020 FAR No. 1: SAAOBDB (Statement of Statement of Appropriations, Allotments, Obligations, Disbursements and Balances as of December YEAR)
 - 2016-2020 Summary Report on Disbursements
 - 2016-2020 BAR No. 1 - Quarterly Physical Report of Operations/Physical Plan
 - 2016-2020 FAR No. 5 - Quarterly Report on Revenue and Other Receipts
 - 2016-2020 Financial Plan (Detailed Statement of Current Year's Obligations, Disbursements and Unpaid Obligations)

 - *Government-Owned and Controlled Corporations (GOCCs)/Local Water Districts (LWDs)*
 - 2016-2020 Annual Reports
 - 2020 Financial Statements

 - III. **DBM Approved Budget and Corresponding Targets for FY 2020.**
 Budget for FY 2020
 GAA targets for FY 2020

 - IV. **Projects, Programs and Activities, Beneficiaries, and Status of Implementation for FY 2020. (indicate if not applicable)**
 Projects, Programs 2020
 Beneficiaries 2020
 Status of Implementation 2020

- V. **FY 2020 Annual Procurement Plan (FY 2020 APP non-CSE), Indicative FY 2021 APP non-CSE; and FY 2021 APP for Common-Supplies and Equipment (FY 2021 APP CSE).**
 - VI. **QMS Certification of at least (1) one core process by any of the certification bodies (CB)** accredited by the International Accreditation Forum (IAF) members. Preferably, the CB is accredited by the Philippine Accreditation Bureau, Department of Trade and Industry, which is an IAF member and recognized national accreditation body in the Philippines. The ISO 9001:2015 QMS Certification/Recertification or equivalent certifications/attestation must be valid as of December 31, 2020 and must be posted not later than **December 31, 2020**.
 - VII. **System of Ranking Delivery Units for FY 2020 PBB** should be cascaded to all employees, and posted in the TS page not later than **October 1, 2020**. The system should be signed and approved by the Head of Agency. The posting should also include the activities/details of cascading efforts, and the contact information that employees may coordinate with regarding cascading of System of Ranking Delivery Units.
 - VIII. **Agency Review and Compliance Procedure of Statements and Financial Disclosures** should be cascaded to all employees. The scanned copy should be posted in the TS page not later than **October 1, 2020**.
 - IX. **Updated People's Freedom to Information (FOI) Manual** signed by the Head of Agency, **Agency Information Inventory, 2020 FOI Registry, and 2020 FOI Summary Report** should be posted not later than **January 29, 2021**.
- c. The links to the documents should open in a **new tab/page for preview with option to download**. Do not auto-download the files. The following are the prescribed formats:
- a. New page/section in the website (No pdfs, xls, jpgs etc.): Items I (Mandate, directory)
 - b. XLS. or PDF for Items II, III, IV and V. (Open in the new tab for preview, please no automatic downloading of files. You can use google drive, Dropbox or any other file hosting software to let you preview the file when clicked)
- d. Post the documents in the prescribed order as indicated in this guideline for easier validation and checking.
- e. **There should be no nesting folders.** Post the links to the documents in a single webpage reserved for the transparency seal. If the files are hidden in folders, there is a risk that the documents might be overlooked by the validator.

GUIDELINE ON PHILGEPS POSTING

Maintain/Update the PhilGEPS posting of all Invitations to Bids and awarded contracts pursuant to the Government Procurement Reform Act, Republic Act No. 9184, for transactions from January 1, 2020 to December 31, 2020, including the Early Procurement of FY 2020 Non-CSE items. Certificate of compliance to PhilGEPS is no longer necessary.

Departments/Agencies should track their status through **PhilGEPS** **microsite**: <https://data.philgeps.gov.ph/pbbweb/pbbwebapp.aspx>.

Departments/Agencies should ensure that the status of notices in the PhilGEPS System for all transactions for the period January 1, 2020 to December 31, 2020, including the Early Procurement of FY 2020 Non-CSE items, is **updated** on or before **January 31, 2021**. *Failed or cancelled bid status should still be updated in PhilGEPS.*

If the agency is unable to update the system or post the BAC Resolution, Notices of Award/Bid Results, Actual Approved/Awarded Contracts and Notices to Proceed/Purchase Orders for public bidding transactions above one million (P1,000,000) in the PhilGEPS due to factors that are outside the control of the agency, the agency should submit a letter to or inform PhilGEPS and submit a letter of explanation addressed to the AO25 IATF on or before January 31, 2021. Acceptance of explanation/justification shall be subject to the recommendation of PhilGEPS.

See the required actions for each status of Notice in PhilGEPS:

Status of Notice in PhilGEPS	Status of Award in PhilGEPS	Required Action
Closed	Null	Identify specific bid result and explain the status of each line item. The justification should be signed by the Head of Procuring Entity and by the BAC Chair and submit to ao25secretariat@dap.edu.ph .
Closed	Posted	Identify specific bid result for each line item and post the Notice to Proceed and Approved Contract in PhilGEPS. In the event that the agency cannot post the NTP and Approved Contract in PhilGEPS, a justification for each item should be submitted. The justification should be signed by the Head of Procuring Entity and by the BAC Chair and submit to ao25secretariat@dap.edu.ph .
Awarded	Null	Identify specific bid result for each line item and post the Award Notice, Notice to Proceed, Approved Contract and BAC Resolution in PhilGEPS In the event that the agency cannot post the Award Notice, Notice to Proceed, Approved Contract and BAC Resolution in PhilGEPS, a justification for each item should be submitted. The justification should be signed by the Head of Procuring Entity and by the BAC Chair and submit to ao25secretariat@dap.edu.ph .
Awarded	Posted	Post the Notice to Proceed and Approved Contract in PhilGEPS. In the event that the agency cannot post the Notice to Proceed and Approved Contract in PhilGEPS, a justification for each item should be submitted. The justification should be signed by the Head of Procuring Entity and by the BAC Chair and submit to ao25secretariat@dap.edu.ph .

If Departments/Agencies are unable to post, they must provide a justification signed by the Head of Procuring Entity and by the BAC Chair and submit to ao25secretariat@dap.edu.ph. Kindly follow the format below:

(Department/Agency's Letterhead)

The justification/s being issued in response to the non-compliance of posting of the following items on the PhilGEPS website:

Reference No.	Notice Title	Line Item ID	Notice Status	Award Status	Remarks/ Explanation

IN WITNESS WHEREOF, we have hereunto affixed our signatures on the ____ day of ____ 2020 at (City/Municipality), Philippines.

Signed by:

Noted by:

BAC Chair

Head of Procuring Entity

Date:

Date:

FORM A
 PERFORMANCE TARGETS & ACCOMPLISHMENT REPORT
 FY 2020

Local Water District:

MFOs AND PERFORMANCE INDICATORS (1)	FY 2019 ACTUAL ACCOMPLISHMENT (2)	FY 2020 TARGET (3)	RESPONSIBLE OFFICE/UNIT (4)	FY 2020 ACTUAL ACCOMPLISHMENT (5)	ACCOMPLISHMENT RATE (6)	REMARKS (7)
A. Water Facility Service Management						
2019 Budget:						
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 the Service	Percentage of household connections receiving a 24/7 supply of water.					
PI 3 (Timeliness) Adequacy (should not be less than 1.3:1)	Source of Capacity of LWD to meet demands for 24/7 supply of water To compute adequacy, use formula below: $\frac{\text{rated capacity of sources(cu.m/yr)}}{\text{Demand(cu.m/yr)}}$ Demand = No. of active connections x 5 (average household size) x 100-130 (liters per capita per day) x 365 days x 1L/1000					
PI 4 COVID-19 Response Measures	COVID-19 Response measures: -Wash hand facilities -Water delivery services -Public information drives -Sanitation and hygiene activities -Disinfection initiatives -Issuance of health protocols -Other resiliency program/s to mitigate COVID-19					

B. Water Distribution Service Management

2019 Budget:

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>						

MFOs AND PERFORMANCE INDICATORS (1)		FY 2019 ACTUAL ACCOMPLISHMENT (2)	FY 2020 TARGET (3)	RESPONSIBLE OFFICE/UNIT (4)	FY 2020 ACTUAL ACCOMPLISHMENT (5)	ACCOMPLISHMENT RATE (6)	REMARKS (7)
PI 3 (Timeliness) Adequacy/Reability 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 updated Citizen's or Service Charter of the LWD.						

Support to Operation (STO)

2019 Budget:

PI1 Staff Productivity Index	<p>Categories A, B, & C = 1 staff for every one hundredtwenty (120) service connections.</p> <p>Category D = 1 staff for every one hundred (100) service connections.</p>						
PI 2 Affordability	Reasonableness/affordability and should observe the LWUA-approved rates.						

PI 3 Customer Satisfaction	<p>1.Compliance with RA No. 11032 or the Ease of Doing Business (EODB) and Efficient Government Delivery Service Act of 2018.</p> <p>2.Percentage of customer complaints acted upon against received complaints.</p> <ul style="list-style-type: none"> •Complaints through Hotline #8888 acted upon within 72 hours. <p>3.Complaints received through the WD customer service unit within the period prescribed by ARTA and other</p>						
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¹ Certificate from HR Manager & GM on the compliance to CSC Memo # 14- 2016

MFOs AND PERFORMANCE INDICATORS (1)	FY 2019 ACTUAL ACCOMPLISHMENT (2)	FY 2020 TARGET (3)	RESPONSIBLE OFFICE/UNIT (4)	FY 2020 ACTUAL ACCOMPLISHMENT (5)	ACCOMPLISHMENT RATE (6)	REMARKS (7)
General Administration and Support Services (GASS)						
2019 Budget:						
PI 1 Financial Viability and Sustainability	<ul style="list-style-type: none"> •Collection Efficiency > 90%; • Positive Net Balance in the Average Net Income for twelve (12) months; •Current Ratio = > 1.5:1 					
PI 2 a) Compliance with COA reporting requirements b) Compliance with LWUA reporting requirements in accordance to content and period submission	<p>Follow the prescribed content and period of submission of five financial reports:</p> <ul style="list-style-type: none"> •Statement of financial position •Statement of comprehensive income •Statement of cashflows •Statement of changes in equity •Notes to financial statement 					

<p>b. Compliance with LWUA reporting requirements in accordance to content and period of submission</p> <p>i.e. Monthly Data Sheet, Balance Sheet, Income Statement, Cash Flow Statement, Microbiological/Physical/Chemical/Chlorine residual report, Approved WD budget w/ Annual Procurement Plan, Annual Report</p>						
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² Average Positive Net Income - EO 181-2015; LWUA MC 007-15; DBM-BC #007-2016

Prepared by:

PBB Focal Person

Approved by:

General Manager

DETAILS OF DELIVERY/OFFICE PERFORMANCE INDICATORS AND TARGETS
2020

Local Water District:

Major Final Outputs/ Responsible Division	Performance Indicator 1	FY 2020 Target for Performance Indicator 1	FY 2020 ACCOMPLISH-MENT for Performance Indicator 1	Performance Indicator 2	FY 2020 Target for Performance Indicator 2	FY 2020 ACCOMPLISH-MENT for Performance Indicator 2	Performance Indicator 3	FY 2020 Target for Performance Indicator 3	FY 2020 Accomplish-ment for Performance Indicator 3	Performance Indicator 4	FY 2020 Target for Performance Indicator 3	FY 2020 Accomplish-m for Performa Indicator 3
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B. Water Distribution Service Management

	(Quantity) NRW: NRW should be ≤ 30% Percentage of unbilled water to water production			(Quality) Potability *Daily Chlorine residual requirement should be at least 0.3ppm at the farthest point * Chlorine Dioxide residual requirement should be at least .2ppm			(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 WD					
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Form A-1

DETAILS OF DELIVERY/OFFICE PERFORMANCE INDICATORS AND TARGETS
2020

Local Water District:

Major Final Outputs/ Responsible Division	Performance Indicator 1	FY 2020 Target for Performance Indicator 1	FY 2020 ACCOMPLISHMENT for Performance Indicator 1	Performance Indicator 2	FY 2020 Target for Performance Indicator 2	FY 2020 ACCOMPLISHMENT for Performance Indicator 2	Performance Indicator 3	FY 2020 Target for Performance Indicator 3	FY 2020 Accomplishment for Performance Indicator 3	Performance Indicator 4	FY 2020 Target for Performance Indicator 3	FY 2020 Accomplishment for Performance Indicator 3
A. Water Facility Service Management												
	(Quantity) access to potable water			(Quality) reliability of service			(Timeliness) Adequacy			COVID-19 Response Measures		
	Percentage of households with access to potable water against the total number of households within the coverage of the LWD			Percentage of Household connections receiving 24/7 supply of water			Source Capacity of WD to meet demands for 24/7 supply			implementation of resiliency programs to mitigate COVID-19.		

Form A-1
**DETAILS OF DELIVERY/OFFICE PERFORMANCE INDICATORS AND TARGETS
 2020**

Local Water District:

Major Final Outputs/ Responsible Division	Performance Indicator 1	FY 2020 Target for Performance Indicator 1	FY 2020 ACCOMPLISHMENT for Performance Indicator 1	Performance Indicator 2	FY 2020 Target for Performance Indicator 2	FY 2020 ACCOMPLISHMENT for Performance Indicator 2	Performance Indicator 3	FY 2020 Target for Performance Indicator 3	FY 2020 Accomplishment for Performance Indicator 3	Performance Indicator 4	FY 2020 Target for Performance Indicator 3	FY 2020 Accomplishment for Performance Indicator 3
C. Support to Operations (STO)												
-	Staff Productivity Index Cat A,B,C = 1:120 Cat D = 1:100			Affordability Must be LWUA-approved Water Rates			Customer Satisfaction Ease of Doing Business- Compliance to CSC 14-2016 Customer complaints acted upon against received complaints Complaints thru 888 acted upon within 72 hrs					

DETAILS OF DELIVERY/OFFICE PERFORMANCE INDICATORS AND TARGETS
2020

Local Water District:

Major Final Outputs/ Responsible Division	Performance Indicator 1	FY 2020 Target for Performance Indicator 1	FY 2020 ACCOMPLISHMENT for Performance Indicator 1	Performance Indicator 2	FY 2020 Target for Performance Indicator 2	FY 2020 ACCOMPLISHMENT for Performance Indicator 2	Performance Indicator 3	FY 2020 Target for Performance Indicator 3	FY 2020 Accomplishment for Performance Indicator 3	Performance Indicator 4	FY 2020 Target for Performance Indicator 3	FY 2020 Accomplishment for Performance Indicator 3
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D. General Administration and Support Services (GASS)

	Financial Viability & sustainability			Compliance to COA reporting requirements								
	Collection Efficiency ≥ 90%											
	Postive Net Income Balance			Compliance to LWUA reporting requirements								
	Current Ratio ≥ 1.5:1											

Prepared by:

PBB Focal Person

Approved by:

General Manager