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SEP 15 2020

DENR Memorandum Circular  
NO. 2020- 09 \_\_\_\_\_

**SUBJECT: Guidelines on the Ranking of Delivery Units for the Grant of FY 2020 Performance-Based Bonus (PBB)**

### **1.0 PURPOSE**

This Memorandum Circular is being issued to prescribe the criteria and conditions on the grant of Performance-Based Bonus (PBB) for FY 2020 performance. The same criteria and conditions for FY 2019 PBB are being issued for FY 2020 to support the Administration's focus on streamlining government services, with the implementation of R.A. No. 11032 known as the *Ease of Doing Business (EODB) and Efficient Government Service Act of 2018*.

### **2.0 COVERAGE**

- 2.1 All Delivery Units/Offices of the DENR at the central, regional, provincial and community levels, staff bureaus, line bureaus including their regional offices, and attached agencies.
- 2.2 All officials and employees holding regular, contractual and casual positions. Individuals engaged without employer-employee relationship with the DENR and funded from non-Personnel Services (PS) budget are excluded.

### **3.0 ELIGIBILITY CRITERIA**

All Delivery Units must satisfy the following conditions to be eligible for the grant of PBB:

- 3.1 **Good Governance Conditions:** Satisfy 100% of the Good Governance Conditions (GGCs) as provided in Section 4.0.
- 3.2 **Performance Targets:** Achieve each one of the Physical Targets, Support to Operations (STO) and General Administration and Support Services (GASS) requirements for FY 2020 as provided in Section 5.0.

- 3.3 **Performance Rating System to be Used for Personnel in the 1<sup>st</sup> and 2<sup>nd</sup> Levels and those occupying Career Executive Service (CES) positions.** The rating of the performance of the 1<sup>st</sup> and 2<sup>nd</sup> Level officials and employees, including managerial or Director positions, but are not Presidential appointees, shall be consistent with the CSC-approved Strategic Performance Management System (SPMS). The rating of the performance of CES officers and incumbents of CES positions shall be based on the guidelines issued by the Career Executive Service Board (CESB).

#### 4.0 **GOOD GOVERNANCE CONDITIONS (GGCs)**

- 4.1 The following are the GGCs set based on the performance drivers of the Results-Based Performance Management System (RBPMS) and the priorities of the current administration for transparency, public accountability and people-focused public services:
- a. **Maintain/Update the Agency Transparency Seal (TS)**
  - b. **Update the PhilGEPS posting of all Invitations to Bids and awarded contracts** for transactions above P1 million from January 01 to December 31, 2020, including Early Procurement of FY 2021 Non-CSE items.
  - c. **Set-up Most Current and Updated Citizen's or Service Charter** reflecting the improved and streamlined-re-engineered system and procedure for all services to citizens, businesses and government agencies

#### 5.0 **FY 2020 PHYSICAL TARGETS**

- 5.1 The following performance targets must be satisfied to support the Administration's focus on the streamlining of government services and seamless public service delivery:
- 1. Achievement of the Streamlining and Process Improvement of Critical Services, including digitization, development of online systems, and /or contactless transactions.
  - 2. Reporting of accomplishments on Program NEHEMIA commitments, in addition to process improvements of other critical services.
- 5.2 **Streamlining and Process Improvement of Critical Services** covering all government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions as declared in the agency's Citizen's Charter.

The following streamlining criteria and improvements from reported accomplishments in FY 2019 shall be reported using the Form prescribed in IATF Memorandum Circular No. 2020-1:

- a. **Number of Steps.** The total number of steps that a particular citizen/client will undergo to ensure the receipt of the complete service.
- b. **Turnaround Time (TAT).** The sum of the waiting time and processing time or the total amount of time taken to complete/deliver a service.
- a. **Number of Signatures.** The total number of signatures and initials from the employees and officers of the delivery units necessary to complete each service/process.
- d. **Number of Required Documents.** The total number of required documents that must be provided by the transacting client.
- e. **Transaction Costs.** The costs incurred by the transacting clients in securing the services. These are categorized as follows: (i). Primary Transaction Costs/Fees and (ii) Other Transaction Costs
- f. **Substantive Compliance Costs.** Costs other than administrative costs incurred by the transacting public in the course of complying with a regulation.

The Delivery Units should report the baseline information of each of the above-mentioned streamlining criteria based on the Department's Citizen's Charter updated before FY 2020. They should set their FY 2020 Streamlining Improvement Target for each streamlining criterion for every declared service including the following specific targets: (a) reduction in the number of signatures to not more than three (3); (b) simplification of application forms or reduction in the number of documentary requirements; and (c) reduction in the turnaround time and completion of the transaction within the maximum period of three (3), seven (7) and twenty (20) working days based on the classification of transactions.

The Delivery Units must submit supporting documents or Means of Verification (MOV) to show actual improvements and as proof of streamlining accomplishments.

### 5.3 **Compliance of Delivery Units concerned with Program NEHEMIA commitments**

- a. Delivery Units involved in the implementation of commitments to the Program NEHEMIA or the National Effort for the

Harmonization of Efficient Measures of Inter-Related Agencies should submit their accomplishment reports to the DENR Central Office-Policy and Planning Service.

5.4 **Citizen/Client Satisfaction Survey.** This shall be conducted to determine the effectiveness of the streamlining and process improvements in the critical services of the Delivery Units. One (1) Best Practice in service quality or productivity in the Department shall be identified to further incentivize excellence in providing quality and efficient public service.

5.5 **Support to Operations (STO) Targets**

a. Initial Certification/Recertification of the Department's Quality Management System (QMS) covering at least one (1) critical frontline service or core process.

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

a. **Improved Budget Utilization Rate (BUR)** from the previous year's level of accomplishment, which shall consist of:

1. **Achievement of at least 90% Obligations BUR.** This is computed as obligation rates for MOOE and Capital Outlays (CO) of all programs, activities, and projects funded in FY 2020 from all appropriation sources, including those released under the 2020 GAA as the Allotment Order policy, net of savings from procurement and implementation of cost-cutting measures.

2. **Achievement of at least 85% Disbursement BUR** which is measured as the ratio of total disbursements (cash and non-cash, excluding Personnel Services) to total obligations for MOOE and CO from FY 2019 appropriations, net of goods and services obligated by December 31, 2019, but executed and paid only in 2020.

b. **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).

c. **Submission of 2019 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.

- d. **Submission of FY 2021 Annual Procurement Plan-Common-Use Supplies and Equipment (FY 2021 APP-CSE)** to the DBM-Procurement Service in the prescribed format by DBM-PS.
- e. **Undertaking of Early Procurement for at least 50% of the total value of eligible Procurement Projects included in the proposed budget of the DENR in the NEP.**
- f. **Submission of Results of FY 2019 Agency Procurement Compliance and Performance Indicators (APCPI) System**, complete with the following forms: (1) APCPI - Self-Assessment Form; (2) APCPI - Consolidated Procurement Monitoring Report; (3) APCPI - Procurement Capacity Development Action Plan; and the Questionnaire.

#### 5.7 **Other cross-cutting requirements**

- a. **Establishment and Conduct of Agency Review and Compliance Procedure of SALN.**
- b. **Compliance with the Freedom of Information (FOI) Program.** The following FOI requirements should be complied with within the set deadlines.
  - 1) Updated People's FOI Manual
  - 2) FOI Reports (Agency Information Inventory, 2020 FOI Registry, and 2020 FOI Summary Report)
  - 3) Screenshot of the DENR website's home page containing a visible and functional FOI logo linked to the electronic FOI portal.
  - 4) Modified One-page FOI Manual (including FOI Receiving Officer/s and contact details and the step-by-step procedure of FOI Request in standard paper-based and electronic format)

- 5.8 To reinforce fairness in the assessment of the performance of each delivery unit under operations with those under support services, non-frontline services provided to units/employees by the latter delivery units should also be declared.

## 6.0 **ELIGIBILITY OF INDIVIDUALS**

- 6.1 Employees belonging to the First, Second, and Third Levels should receive a rating of at least "Satisfactory" based on the CSC-approved Strategic Performance Management System (SPMS) or the requirement prescribed by the CESB.

- 6.2 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.
- 6.3 Personnel who transferred from one government agency to another agency 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.
- 6.4 Officials and employees who transferred from government agencies that are non-participating in the implementation of 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.
- 6.5 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 will be eligible to the full grant of the PBB.
- 6.6 An official or employee who has 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:

<b>Length of Service</b>	<b>% of PBB</b>
8 months but less than 9 months	90%
7 months but less than 8 months	80%
6 months but less than 7 months	70%
5 months but less than 6 months	60%
4 months but less than 5 months	50%
3 months but less than 4 months	40%

The following are the valid reasons for an employee who may not meet the nine-month actual service requirement to be considered for PBB on a pro-rata basis:

- a. Being a newly hired employee
  - b. Retirement and Death
  - c. Resignation
  - d. Rehabilitation Leave
  - e. Maternity Leave and/or Paternity Leave
  - f. Vacation or Sick Leave with or without pay
  - g. Scholarship/Study Leave; and/or
  - h. Sabbatical Leave
- 6.7 Heirs of the deceased personnel who qualified for 2020 PBB shall be

required to present proof of legitimacy of claim.

## **7.0 NON- ELIGIBILITY OF INDIVIDUALS**

- 7.1 An employee who is on vacation or sick leave, with or without pay for the entire year.
- 7.2 Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2020. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 7.3 Officials and employees who failed to submit the 2019 SALN; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN.
- 7.4 Officials and employees who failed to liquidate all cash advances received in FY 2020 within the reglementary period.
- 7.5 Officials and employees who failed to submit their complete SPMS Forms.
- 7.6 Officials and employees responsible for the implementation of the prior years' audit recommendations, QMS certification, or posting and dissemination of the system of ranking performance of delivery units, shall not be entitled to the FY 2020 PBB if the Department fails to comply with any of these requirements.

## **8.0 RATING AND RANKING OF DELIVERY UNITS**

- 8.1 All Delivery Units that meet the criteria and conditions for eligibility to the FY 2020 PBB shall be forced ranked according to the following categories:

Top 10%	Best Delivery Unit
Next 25%	Better Delivery Unit
Next 65%	Good Delivery Unit

- 8.2 The Line Bureaus (EMB and MGB) and Attached Agencies (NAMRIA, NWRB, and PCSD) shall be treated as separate Offices from the Office of the Secretary (Proper) and shall have separate ranking of their Delivery Units. Annex A shows the prescribed Delivery Units of the Department.

- 8.3 The accomplishments of the Delivery Units on the qualifying, ranking and core function indicators shall be the main parameters in rating performance. The total performance rating of 100% shall consist of the following: (a) accomplishments on the qualifying indicators- 60%; (b) ranking indicators- 20%; and (c) core functions - 20%.
- 8.4 The official list of indicators to be used in the performance assessment of the Delivery Units shall be provided by the Policy and Planning Service-Planning and Programming Division.
- 8.5 The Physical Targets, Good Governance Conditions, STO, GASS and Other Cross-Cutting Requirements enumerated above shall automatically be considered as the qualifying indicators. However, the Performance Management Group (PMG) may opt to consider some indicators as both qualifying and ranking.
- 8.5 The Focal offices for specific PBB requirements shall consolidate the relevant Means of Verification (MOVs) submitted by the Delivery Units and develop the Point System to be used in the assessment of performance. The Focal offices for each PBB requirement is shown in Annex B.
- 8.6 Only the personnel belonging to eligible delivery units are qualified for the PBB. While individual ranking shall be the basis for merit increase, promotion, further training and/or disciplinary action, there shall no longer be a ranking of individuals within a delivery unit.

## **9.0 THE PERFORMANCE MANAGEMENT GROUP (PMG) AND SUB-COMMITTEES**

- 9.1 The Performance Management Group (PMG), chaired by the Undersecretary for Policy, Planning and International Affairs, shall directly oversee the performance of the Delivery Units and assist the Secretary in carrying out forced ranking of these Delivery Units and in ensuring adherence to the criteria and guidelines on the grant of the PBB.
- 9.2 The PMG is authorized to approve the ranking and core function indicators, including the Point System, in coordination with the focal offices.
- 9.3 The PMG may review the core functions of the Office of the Undersecretaries and Assistant Secretaries and explore disaggregation consistent with the functions of the offices which they supervise.



- 9.4 The PMG Sub-Committees shall assess the performance of the Management and Support Group (MSG), Staff Bureaus, and DENR Regional Offices and assist in ranking them according to performance criteria.
- 9.5 The PMG shall develop objective tie-breaking criteria for Delivery Units. In case of unresolved tie, it shall elevate it to the Secretary whose decision shall be enforced as final.
- 9.6 The Line Bureaus and Attached Agencies shall create their respective Committees and identify their ranking indicators which should be submitted to the DENR-PMG for approval.
- 9.7 The PMG, through the National/Central Office Secretariat, shall ensure that the required forms for submission to the AO 25 IATF are completely filled up. The Secretariat shall also ensure that all the forms/documents used in the rating and ranking are secured and shall safekeep them for consolidation and submission.
- 9.8 All objections/complaints after the award of the 2020 PBB shall be brought to the attention and resolved by the P M G .

**10.0 RATES OF THE PBB**

- 10.1 The PBB rates 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 his/her monthly basic salary as of December 31, 2019, based on the table below:

Performance Category	Multiple of Basic Salary
Best Bureau/office/Delivery Unit (10%)	0.65
Better Bureau/office/Delivery Unit (25%)	0.575
Good Bureau/office/Delivery Unit (65%)	0.50

**11.0 TIMELINE FOR PBB FY 2020 IMPLEMENTATION**

The implementation timeline for the FY 2020 PBB is indicated in Annex B.

## **12.0 SOURCE OF PBB FUND**

The DENR-PBB shall be charged against Miscellaneous Personnel Benefits Fund (MPBF) in the General Appropriations Act.

## **13.0 EFFECTIVITY**

This Circular shall take effect immediately.

  
**ROY A. CIMATU**  
Secretary



**ANNEX A**  
**DELIVERY UNITS OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL  
RESOURCES**

A. Management and Support Group (11)

Office of the Undersecretaries and Assistant Secretaries  
Finance and Management Service  
Policy and Planning Service  
Legal Affairs Service  
Human Resource and Development Service  
Internal Audit Service  
Knowledge and Information System Service  
Foreign-Assisted and Special Projects Service  
Administrative Service  
Strategic Communications and Initiatives Service  
CARP-National Coordinating Office, Climate Change Service, Manila Bay  
Coordinating Office (MBCO), River Basin Control Office (RBCO)

B. Staff Bureaus (4)

Forest Management Bureau (FMB)  
Land Management Bureau (LMB)  
Biodiversity Management Bureau (BMB)  
Ecosystems Research and Development Bureau (ERDB)

C. DENR Regional Offices (16)

**ANNEX B**  
**TIMELINE FOR FY 2020 PBB IMPLEMENTATION**

REQUIREMENTS	DEADLINE OF SUBMISSION	FOCAL OFFICE
<b>Physical Targets</b>		
Streamlining and Process Improvement of Agency Services and digitization initiatives	August 31, 2021	Policy and Planning Service
Citizen/Client Satisfaction and Agency Best Practice		Strategic Communication and Initiative Service & Knowledge and Information Systems Service
Report on Ranking Delivery Units		Human Resources Development Service
<b>Support to Operations (STO)</b>		
QMS Certification	December 31, 2020	Knowledge and Information Systems Service
<b>General Administration and Support Services</b>		
FY 2020 APP-non CSE	March 31, 2020	Administrative Service
Results of FY 2019 APCPI System	June 30, 2020	
Indicative FY 2021 APP –non CSE	September 30, 2020	
FY 2020 APP-CSE	December 15, 2020	
Early Procurement Activities	Within 30 days after the approval of the GAA	
Sustained Compliance with Audit Findings	December 31, 2020	Finance and Management Service
<b>Good Governance Conditions</b>		
Transparency Seal	October 01, 2020	Strategic Communications and Initiatives Service
PhilGEPS Posting	January 29, 2021	Administrative Service
Citizen's/Service Charter	December 04, 2020	Legal Affairs Service
<b>Other cross-cutting requirements</b>		
Agency's Establishment and Conduct of Agency Review and Compliance of	October 01, 2020	Human Resource and Development Service

<p>SALN</p> <p>Agency's System of Rating and Ranking of Delivery Units</p>	<p>October 01, 2020</p>	<p>Policy and Planning Service</p>
<p>Updated People's FOI Manual</p> <p>FOI Reports: Agency Information Inventory, 2020 FOI Registry, and 2020 FOI Summary Report</p> <p>Modified one-page FOI Manual</p> <p>Screenshot of agency's home page</p>	<p>January 29, 2020</p>	<p>Administrative Service</p>