

PLARIDEL WATER DISTRICT

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GUIDELINES ON THE ELIGIBILITY OF INDIVIDUALS FOR THE GRANT OF THE PERFORMANCE-BASED BONUS (PBB) FOR FISCAL YEAR 2021

(Based on LWUA-DBM Joint Memorandum Circular No. 2021-1 dated October 19, 2021)

I. PURPOSE

Plaridel Water District (PLAWD) hereby adopts Joint Memorandum Circular No. 2021-1 dated October 19, 2021 of the Local Water Utilities Administration (LWUA) and Department of Budget and Management (DBM) prescribing the guidelines on the grant of Fiscal Year (FY) 2021 Performance-Based Bonus (PBB) for Local Water Districts (LWDs) pursuant to Executive Order (EO) No. 80, s. 2012, EO No. 201, s. 2016, and Administrative Order No. 25 Inter-Agency Task Force (IATF) Memorandum Circular No. 2021-1.

The overarching goal of the PBB is to strengthen the effectiveness of the incentives system to help agencies achieve the mission-critical objectives and expected outcomes of the government. For the FY 2021 cycle the PBB criteria and conditions were hence refined in order to:

- a. Simplify the PBB process particularly the validation of compliance;
- b. Provide flexibility to the agencies in the implementation of scheme;
- c. Reinforce results focus and their inter-linkages e.g., and physical accomplishment, in assessing the overall performance of agencies;
- d. Administer a more transparent PBB scoring system;
- e. Strengthen the role of agencies in ensuring accountability of unit/individuals responsible for the criteria and conditions; and,
- f. Facilitate the timely release of incentives to eligible agencies.

The FY 2021 PBB shall measure and evaluate the performance of LWDs with emphasis on the public's satisfaction on the realization of the LWDs' performance targets, quality of service delivery, efficiency in the use of resources, and strengthened agency stewardship.

II. COVERAGE

The FY 2021 PBB covers the personnel of PLAWD holding regular, contractual, and casual positions. Excluded are individual engaged without employer-employee relationship and funded from non-personnel services budget.

III. CATEGORY OF CRITERIA AND CONDITIONS

To be eligible for the grant of the FY 2021 PBB, PLAWD must first satisfy the following eligibility requirements:

- a. Compliance with the following Philippine National Standards for Drinking Water (PNSDW) requirements:
 1. Monthly summary of daily residual chlorine test results;
 2. Water quality reports must have twelve (12) months of compliance with microbiological test results; and
 3. Compliance with physical-chemical tests results of the LWD's source/s;
- b. Current Debt Service Status;
- c. LWUA-approved Water Rates;
- d. Compliance with ISO-certification or its equivalent for LWDs under Categories A and B, or Commercial Practice System for LWDs under Categories C and D;
- e. On-time submission of the following documents prior to the evaluation of its eligibility to FY 2021 PBB;
 1. Monthly Data Sheet and Financial Statements (January to December 2021)
 2. Approved LWD FY 2021 Budget;
 3. Updated Business Plan covering FY 2021; and
 4. FY 2021 Annual Report.

In relation to the targets in previous PBB cycles, the FY 2021 PBB criteria and conditions shall be categorized into four (4) dimensions of accountability:

- a. **Performance Results** – refer to the accomplishment of the LWD targets under the Major Final Outputs
 1. Major Final Output (MFO) – are 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 time organizational/sectoral outcome and capable of being summarized by a common performance indicator.
 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. Performance Target (PT) – predetermined numerical target level of performance (quantity, quality, timeliness, and cost of an output) against which actual performance can be compared.
 4. Delivery Units (DUs) – departments and divisions of the LWD responsible for the achievement of the LWD's MFO and are committed to the performance targets that are tracked through a reporting system within the year and verified by LWUA.
 5. Potability – the quality of water that renders it safe and fit for human consumption. LWDs performance concerning this indicator (residual chlorine) shall mean compliance to the PNSDW and all issuances and guidelines issued by the Department of Health and LWUA.
 6. Adequacy and Reliability of Service – performance of LWDs rated in accordance with the 24/7 availability of supply and the capacity to meet the present and future water demand.

7. Access and Coverage – performance of LWDs in pursuing the goal of providing water access and service to the greater percentage of the population within their respective service areas.
 8. Coronavirus Disease 2019 (COVID-19) Pandemic Response Measure – performance of LWDs 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.
- b. **Process Results** – refer to the achievements in ease of transaction with the LWDs as a result of streamlining, standardization, i.e., through ISO-certified QMS or its equivalent for LWDs under Categories A and B, and Commercial Practices System (CPS) for LWDs under Categories C and D.
 - c. **Financial Results** – refer to financial viability and sustainability of LWDs as indicated by the liquidity ratio, which determines the capacity to meet short-term obligations (current ratio), positive net income balance, and collection performance (collection efficiency).
 - d. **Citizen/Client Satisfaction Results** – These results refer to the achievements of the LWDs in satisfying the quality expectations of the transacting public.

Requirements set forth in the Good Governance Conditions (GGCs) shall no longer be included in the criteria to assess the overall eligibility of the LWDs for the FY 2021 PBB. However, compliance to GGCs shall be used as basis in determining the eligibility of the responsible units and individuals. Monitoring of their compliance shall be the primary responsibility of the Head of Agency.

The modifications in the PBB assessment process to make the PBB scoring system clear and explicit as specified in the Joint Memorandum Circular No. 2021-1 shall be adopted. The scoring system aims to simplify and make the final eligibility assessment more transparent, and enable PLAWD to undertake self-assessment vis-à-vis the criteria and conditions to ascertain if PLAWD could qualify for the grant of the FY 2021 PBB. However, the AO25 Inter-Agency Task Force (AO 25 IATF) shall still determine the final eligibility of the agency.

IV. FY 2021 PBB TARGETS, ASSESSMENT, AND SCORING SYSTEM

The PLAWD accomplishments for each criterion shall be rated using this scoring system. Each criterion has an assigned point, as shown in Table 1. The maximum score that may be obtained is 100 points. To be eligible for the FY 2021 PBB, PLAWD must attain a total score equivalent to **at least 70 percent (%) of each criterion**, except for the Process Results, and an overall total score of **at least 70 points**.

TABLE 1: FY 2021 PBB SCORING SYSTEM		
CRITERIA	Max PTS	CONDITION
Performance Results	70	Actual points must be at least 49

Process Results	7	Compliance would automatically render 7 points; non-compliance would result in ineligibility to FY 2021 PBB
Financial Results	10	Actual points must be at least 7
Citizen/Client Satisfaction Results	13	At least 70% of the complaints must be acted upon, with the following equivalent points: At least 70% = 7 At least 75% = 8 At least 81% = 9 At least 86% = 10 At least 91% = 11 At least 94% = 12 At least 97% = 13
TOTAL	100	Overall Total Score must be <u>at least 70 points</u>

In such a case, while the PLAWD will be eligible, the unit/s most responsible for the criterion/MFOs with a performance below 70% will be isolated from the grant of the FY 2021 PBB.

Performance Results

The targets under Performance Results will enable PLAWD to concentrate their efforts and available resources on their mandates and core functions and ensure delivery of high quality and high impact activities.

The Performance Results shall be assessed and scored as follows:

TABLE 2: SCORING FOR PERFORMANCE RESULTS		
CRITERIA	MAX PTS	CONDITION
Performance Results		Actual points must be at least 49
Major Final Outputs (MFOs):		
a. Access to Potable Water	12	
b. Reliability of Service (24/7 supply)	6	
c. Adequacy	6	
d. COVID-19 Response Measures	5	
e. Non-Revenue Water	12	
f. Potability (Chlorine Residual)	5	
g. Adequacy & Reliability of Service (Response time to restore service)	5	
h. Staff Productivity Index	4	
i. Water Quality Reports (Bacteriological/Physical & Chemical)	15	

Process Results

The target under Process Results is the greater ease of transaction of frontline services covering all government-to-citizens (G2C), government-to-businesses (G2B), and government-to-government (G2G) transactions. This may be achieved through streamlining, especially of frontline services; standardization of frontline processes.

The target is to assure the quality-of-service delivery through ISO-certified QMS or its equivalent certification of frontline services. The ISO-certified QMS for Categories A and B LWDs or its equivalent certification for frontline services, Commercial Practices System certification for Categories C and D LWDs will be used.

Compliance with the criteria would automatically render seven (7) points for the Process Results. However, failure to do so would result in the ineligibility of the LWDs to the FY 2021 PBB.

TABLE 3: SCORING FOR PROCESS RESULTS	
CRITERIA	CONDITION
<p>PROCESS RESULTS</p> <p>ISO certified QMS for LWDs under Categories A and B;</p> <p>Commercial Practices System Certified for LWDs under Categories C and D</p>	<p>Compliance would render 7 points; non-compliance would result in ineligibility to FY 2021 PBB.</p>

Financial Results

The requirements under the Financial Results shall be scored as follows:

TABLE 4: SCORING FOR FINANCIAL RESULTS		
CRITERIA	MAX PTS	CONDITION
<p>Financial Results</p> <p>Collection efforts and financial performance:</p> <ul style="list-style-type: none"> a. Collection Efficiency b. Current Ratio c. Positive Net Balance in the Ave. Net Income for twelve (12) months 	<p>3</p> <p>4</p> <p>3</p>	<p>Actual points must be at least 7</p>

Citizen/Client Satisfaction Results

Achieve the Citizen/Client Satisfaction through acting on requests/complaints received directly by the LWDs (*in-house*) and resolution of reported complaints from **Hotline #8888**, **Contact Center ng Bayan (CCB)**, and the **Presidential Complaint Center (PCC)**. The LWDs shall ensure resolution of all complaints, grievances on government service procedures, acts of red tape, corruption, and/or other interferences to public service delivery by any government

agency, individuals, or instrumentalities reported to Hotline #8888, CCB, and PCC. To provide evidence on this, the LWDs shall submit a report summarizing the complaints they have received and those received by Hotline #8888, CCB, and OCC in FY 2021, as well as the status of the same, i.e., if resolved or pending.

The requirements under the Citizen/Client Satisfaction Results shall be scored as follows:

TABLE 5: SCORING FOR CITIZEN/CLIENT SATISFACTION RESULTS		
CRITERION	MAX PTS	CONDITION
Citizen/Client Satisfaction Results: a. Hotline #8888 b. Contact Center ng Bayan (CCB) c. Presidential Complaint Center (PCC) d. Direct requests/complaints to the water district (<i>in-house</i>)	13	At least 70% of the complaints must be acted upon, with the following equivalent point: At least 70% = 7 At least 75% = 8 At least 81% = 9 At least 86% = 10 At least 91% = 11 At least 94% = 12 At least 97% = 13

V. PLAWD ACCOUNTABILITIES

To sustain the institutionalization of compliance to existing government-mandated laws and standards, PLAWD and its Performance Management Team (PMT), shall continue to implement, monitor and enforce compliance with the following requirements:

a. Updating of Transparency Seal	f. PhilGEPS posting of all invitations to bids and awarded contracts
b. Compliance with the Freedom of Information (FOI) Programs	g. Submission of FY 2022 Annual Procurement Plan-Common Use Supplies and Equipment (APP-CSE), FY 2021 Non-Common Use Supplies and Equipment (APP-non CSE), and Indicative FY 2022 APP
c. Updating of Citizen's or Service Charter	
d. Compliance to Audit Findings and Liquidation of Cash Advances	
e. Submission and Review of SALN	

While the conditions mentioned above are no longer required in determining the overall PBB eligibility of PLAWD, compliance with these conditions shall be used as the basis in determining the eligibility of responsible units and individuals. PLAWD should submit these legal requirements directly to the oversight agencies.

VI. ELIGIBILITY OF DELIVERY UNITS AND INDIVIDUALS

- a. For FY 2021 PBB, the delivery units of Plaridel Water District shall no longer be ranked. However, the unit/s most responsible for deficiencies shall be isolated.

Based on Table 1, to be eligible for the FY 2021, PLAWD must attain a total score of **at least 70 points**.

The unit/s most responsible (including its head) for the non-compliance with the PLAWD Accountabilities provided in Section V will also be isolated from the grant of the FY 2021 PBB.

- b. Eligible Delivery Units shall be granted FY 2021 PBB at uniform rates across PLAWD, including its officials and employees. The corresponding rates of the PBB shall be based on the LWD's achieved total score as shown in Section VII.
- c. The General Manager of PLAWD is eligible only if PLAWD is eligible. If eligible, his/her PBB rate for FY 2021 shall be equivalent to the rate as stated in the succeeding Section and shall be based on his/her monthly basic salary as of December 31, 2021.
- d. The member of the Board of Directors of PLAWD may be eligible to the PBB subject to the conditions:
 1. The PLAWD has qualified for the grant of FY 2021 PBB;
 2. The Board Member has 90% attendance to duly called board meetings and committee meetings as certified by the Board Secretary;
 3. The Board Member has eleven (11) months aggregated service in the position;
 4. The PLAWD has submitted the appropriate annual Board-approved Corporate Operating Budget to LWUA; and
 5. Submission of Board Member's FY 2021 accomplishments (policies or resolutions made that will help address the operations as well as the guidelines of the LWD).
- e. To be eligible for FY 2021 PBB, employees belonging to the First, Second, and Third Levels should receive a rating of at least **"Very Satisfactory"** based on the agency's CSC-approved Strategic Performance Management System (SPMS).
- f. Personnel in detail to another government agency for six (6) months or more shall be included in the recipient agency that rated his/her performance. The payment of the PBB shall come from the mother agency.
- g. Personnel who transferred from one government agency to another agency shall be included 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.
- h. 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 the PBB on a pro-rata basis corresponding to the actual length of service to the participating implementing agency.

- i. An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least a Very Satisfactory rating may be eligible for the full grant of the PBB.
- j. An official or employee who has rendered less than nine (9) months but minimum of three (3) months of service and with at least a Very 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:

- 1. Being a newly hired employee
 - 2. Retirement
 - 3. Resignation
 - 4. Rehabilitation Leave
 - 5. Maternity Leave and/or Paternity Leave
 - 6. Vacation or Sick Leave with or without pay
 - 7. Scholarship/Study Leave; and/or
 - 8. Sabbatical Leave
- k. An employee who is on vacation or sick leave, with or without pay, for the entire year is not eligible for the grant of PBB.
 - l. Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2021 shall not be entitled to the PBB. However, if the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
 - m. Officials and employees who failed to submit 2020 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 2021 PBB.

- n. Officials and employees who failed to liquidate all cash advances received FY 2021 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 2021 PBB.

VII. RATES OF PBB

The total score as stated in Section IV shall be the basis in determining the amount of the PLAWDs' PBB. The maximum rate of the PBB that will achieve 100 points shall be 100% of the 65% Monthly Basic Salary (MBS) of an individual as of December 31, 2021. For illustration, see the table below:

TABLE 6: RATES OF THE PBB	
TOTAL SCORE	PBB RATES
100 points	65% (100% of the 65% monthly basic salary)
95 points	61.75% (95% of the 65% monthly basic salary)
90 points	58.5% (90% of the 65% monthly basic salary)
85 points	55.25% (85% of the 65% monthly basic salary)
80 points	52% (80% of the 65% monthly basic salary)
75 points	48.75% (75% of the 65% monthly basic salary)
70 points	45.5% (70% of the 65% monthly basic salary)


VIII. TIMELINES AND SUBMISSION/POSTING OF REPORTS AND REQUIREMENTS

- a. PLAWD should submit Form A and A1 as evidence of accomplishments of Performance Results, Process Results, Financial Results, and Citizen/Client Satisfaction Results (as provided in Section IV) on or before **March 31, 2022**.
- b. The AO25 IATF shall conduct spot checks to validate claims and certifications made by the PLAWD on their submitted/posted reports and/or requirements.
- c. PLAWD are encouraged to provide information to the AO 25 Secretariat on compliance with the PLAWD Agency Accountabilities provided in Section V.

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