



INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS
(Administrative Order No. 25 s. 2011)

MEMORANDUM CIRCULAR NO. 2019- 2

November 12, 2019

TO : All Heads of Departments, Bureaus, Offices and Other Agencies of the National Government, including Constitutional Commissions, Congress, The Judiciary, Office of the Ombudsman, State Universities and Colleges, Government-Owned or-Controlled Corporations, Local Water Districts, and Local Government Units

SUBJECT : Supplemental Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2019 under Executive Order (EO) No. 80, s. 2012 and EO No. 201, s. 2016

1.0 BACKGROUND AND PURPOSE

The Administrative Order (AO) No. 25 Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (AO 25 IATF) has issued Memorandum Circular (MC) No. 2019-1 (*Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2019 under Executive Order No. 80 s. 2012 and Executive Order No. 201 s. 2016*) dated September 3, 2019.

Consistent with MC No. 2019-1, the Department of the Interior and Local Government (DILG), Local Water Utilities Administration (LWUA), and the Governance Commission for Government-Owned or-Controlled Corporations [GOCCs] (GCG) issued separate guidelines for the grant of the FY 2019 Performance-Based Bonus (PBB) for Local Government Units (LGUs), Local Water Districts (LWDs), and GOCCs, respectively.

The issuance of this Supplemental Guidelines shall provide clarifications and updates on the requirements and deadlines stated in MC No. 2019-1, released by the AO 25 IATF on September 3, 2019.

2.0 SUPPLEMENTAL GUIDELINES

The Supplemental Guidelines shall apply to the following sections of the IATF MC No. 2019-1, and all issued Interim FY 2019 PBB Guidelines for GOCCs under GCG, Local Water Districts (LWDs), and Local Government Units (LGUs):

2.1 On Section 4.0 – Good Governance Conditions (GGCs)

The following GGCs are set based on performance drivers of the Results-Based Performance Management System (RBPMS) and the priorities of the

Duterte Administration for 1) heightened transparency; 2) stronger public accountability; and 3) more inclusive and people-centered public services:

- a. **Maintain/Update the agency Transparency Seal (TS)** pursuant to Section 106 of the General Provisions of the FY 2019 General Appropriations Act (GAA). The TS page should be accessible by clicking the TS logo on the home page. Status of compliance shall be posted both DAP website through <https://www.dap.edu.ph/rbpms/> and DBM website at www.dbm.gov.ph/index.php/news-update/transparency-seal-compliance See *Annex 2: Guideline on Transparency Seal* for full details of requirements.
- b. **Update the PhilGEPS posting of all Invitations to Bids and awarded contracts** pursuant to the Government Procurement Reform Act (RA No. 9184) for transactions above Php 1 million from January 1 to December 31, 2019, including Early Procurement of FY 2020 Non – Common Use Supplies and Equipment (Non –CSE) items. Agencies should track their status of compliance through the PhilGEPS microsite: <https://data.philgeps.gov.ph/pbbweb/pbbwebapp.aspx>. see *Annex 6: Guideline on PhilGEPS Posting*.

Non-compliance with any of the GGCs will render the entire department/agency **ineligible** for the PBB. The assessment of agency compliance with GGC requirements started last October 1, 2019.

In view of the first year implementation of the Citizen’s Charter requirement under RA No. 11032 and MC No. 2019-002 issued by the Anti-Red Tape Authority (ARTA), the **updating of the Citizen’s or Service Charter or its equivalent** will not be a Good Governance Condition for purposes of the PBB. However, it shall be understood that agencies shall comply with the December 6, 2019 deadline set by ARTA. Kindly refer to the Supplemental Guidelines to be issued by ARTA on this.

2.2 **On Section 5.1 – Streamlining and Process Improvement of the Agency’s Critical Services**

- a. The updated Citizen’s or Service Charter or its equivalent shall still be the basis for the review of the agency’s critical services covering all Government-to-Citizens (G2C), Government-to-Businesses (G2B), and Government-to-Government (G2G) transactions.
- b. Relative to the agency’s FY 2019 Performance Targets, below are additional details that would guide agencies in accomplishing their forms.

For Modified Form A, departments/agencies shall report a summary of the streamlining efforts containing the **Status as of FY 2018, Targets set in FY 2019** and **Status of efforts done in FY 2019**, pertaining to the following criteria¹:

- Number of steps
- Turnaround time
- Number of signatures
- Number of required documents

¹ Follow definitions stated in MC No. 2019-1

- Transaction costs
 - Primary transaction cost/fees
 - Other transaction costs
 - Substantive Compliance Cost
 - Citizen/client satisfaction results
- c. In order to assist the AO 25 Composite Teams in understanding the government services provided by the departments/agencies, a more detailed report of these services and the streamlining criteria must be declared in Modified Form A1, which should also include the following additional information:
- **Name of Service** – state as declared in the Citizen’s or Service Charter or its equivalent.
 - **Responsible delivery/processing units** – declare all delivery units contributory to the completion of the reported government service.
 - **Identified Clients/Customers** – identify all documented types of clients/customers who avail of the government service.
 - **Number of client visit/s in 2019** – report the total number of visit/s (including returns) the client underwent in completing the entire service.
 - **Volume of Transactions in 2019** – provide data on the volume of transactions of the declared services delivered by the agency.
 - **Remarks** – indicate justifications, explanations, and/or supporting data on the service.
- d. Ensure that the submitted Modified Forms A and A1 (see attached) are duly signed by the Supervising Officer and approved by the Department/Agency Head or Designated Official.
- e. Small agencies shall submit their Modified Forms A and A1 on or before **February 28, 2020** and big departments/agencies on **August 31, 2020**.

2.3 **On Section 5.4a – Computation of Agency’s FY 2019 Budget Utilization Rate (BUR)**

Pursuant to Section 1 of EO No. 91, s. 2019², Departments/Agencies shall adopt the Cash Budgeting System (CBS) effective January 1, 2019. Accordingly, all authorized appropriations shall be available for obligation and disbursement only until the end of each fiscal year (FY). Departments/Agencies shall observe Section 5 – Transitory Provisions which states:

“In the first year of implementing the CBS, the concerned national government agencies and qualified GOCCs shall strictly comply with the following:

- a. Appropriations for infrastructure capital outlays, including subsidy releases to GOCCs for infrastructure projects, shall be valid for obligation until 31 December 2019. Meanwhile, the completion of construction inspection and payment shall be made not later than 31 December 2020; and

² *Adopting the Cash Budgeting System Beginning Fiscal Year 2019, and for Other Purposes*

- b. Appropriations for maintenance and other operating expenses as well as other capital outlays shall likewise be valid for obligation until 31 December 2019. On the other hand, the delivery, inspection and payment shall be not later 30 June 2020.”

2.4 **On Section 5.4c – Compliance with Quarterly Submission of Budget and Financial Accountability Reports (BFARs) Online Using the DBM’s Unified Reporting System (URS)**

Acknowledging the shift to URS Version 2.0 and the calibration of the accountability reports, the quarterly submission of BFARs online using the URS shall no longer be a GASS target for compliance to the grant of FY 2019 PBB.

2.5 **On Section 5.4d – Submission of Annual Procurement Plan (APP-non CSE)**

Section 7.3.5 of the 2016 revised IRR of Republic Act No. 9184 provides that the final and approved APP shall be submitted to the GPPB as soon as the GAA, corporate budget, or appropriations ordinance is approved.

Thus, the APP submitted prior to the approval of the GAA, corporate budget, or appropriations ordinance is merely indicative and **will NOT be considered** as compliance with the APP submission.

2.6 **On Section 5.4e – Submission of FY 2020 Annual Procurement Plan-Common Use Supplies and Equipment (FY 2020 APP-CSE)**

To afford sufficient time for Departments/Agencies, entities, and instrumentalities to prepare the list of the items that they need for FY 2020, the Procurement Service (PS) recommends the extension of the submission of the FY 2020 APP-CSE from October 31, 2019 to **December 15, 2019**. Submission will be done online by uploading the filled-out template in the PhilGEPS Virtual Store.

2.7 **On Section 5.4f – Undertaking of Early Procurement for at least 50% of the value of goods and services based on the department/agency’s budget submitted to the Congress consistent with the NEP**

Departments/Agencies including GOCCs with budgetary support from the national government, and under the National Expenditure Program (NEP) shall conduct the undertaking of Early Procurement Activities (EPA) for at least **50% of the value of goods and services** based on the department/agency’s budget submitted to the Congress consistent with the NEP.

For purposes of determining the total value, projects which will use the following modalities are **excluded** in the computation of the total value of goods and services, following GPPB Circular No. 06-2019 (procurement modalities excluded from the EPA coverage):

1. Repeat Order
2. Shopping
3. Negotiated Procurement- Emergency Cases
4. Negotiated Procurement- Take-Over of Contracts
5. Negotiated Procurement - Small Value Procurement

Deadline of posting of Approved Contract and Notice to Proceed in PhilGEPS is on or before **January 31, 2020**. **Agencies NOT receiving budgetary support from the national government are excluded from this PBB requirement.**

Heads of the Procuring Entity (HOPE) of covered departments/agencies shall submit to the GPPB a **Certification under Oath** on the compliance with EPA requirement on or before **January 31, 2020**.

To support Early Procurement, the Indicative FY 2020 APP-non CSE consistent with the FY 2020 National Expenditure Program (NEP) should be posted on the agency TS page not later than **September 30, 2019**. The indicative APP is **NOT** submitted to the GPPB.

2.8 On Sec. 7.5 – Agency’s System of Rating and Ranking of Delivery Units for FY 2019 (SRR)

Departments/Agencies shall prepare the **System of Agency Ranking of Delivery Units for FY 2019 PBB** using the Form for the Guidelines/Mechanics in Ranking Delivery Units (See Annex 8). The duly completed and signed agency guidelines in ranking delivery units shall be posted on the agency TS webpage on or before **October 1, 2019**.

Should the Departments/Agencies 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.

2.9 On Sec. 9.6 – Updated FY 2019 PBB Implementation Timeline


Deadline	Requirements	To submit/refer
Physical Targets		
February 28, 2020	<ul style="list-style-type: none"> Streamlining and Process Improvement of Agency Services (<i>small agencies</i>) Citizen/Client Satisfaction SUCs Physical Targets 	<ul style="list-style-type: none"> Annexes 3A and 3B (Modified Forms A/A1) Annex 4 Form 1.0 PBB Evaluation Matrix Annex 5 (Modified Forms A/A1) Form 1.0 PBB Evaluation Matrix
Based on the timeline set by GCG, LWUA, and DILG	For Physical Targets of the ff: <ul style="list-style-type: none"> GOOCs covered by RA 10149 LWDs LGUs 	<ul style="list-style-type: none"> Forms required by GCG, LWUA, and DILG
August 31, 2020	<ul style="list-style-type: none"> Streamlining and Process Improvement of Agency Services (<i>big agencies</i>) Citizen/Client Satisfaction 	<ul style="list-style-type: none"> Annexes 3A and 3B (Modified Forms A/A1) Annex 4 Form 1.0 PBB Evaluation Matrix
Good Governance Conditions (GGCs)		
October 1, 2019	<ul style="list-style-type: none"> Transparency Seal 	<ul style="list-style-type: none"> Annex 2
January 31, 2020	<ul style="list-style-type: none"> PhilGEPS Posting 	<ul style="list-style-type: none"> Annex 6

Deadline	Requirements	To submit/refer
<i>Support to Operations (STO)</i>		
December 31, 2019	<ul style="list-style-type: none"> QMS Certification 	<ul style="list-style-type: none"> Post QMS Certification in TS page Submit certified true copy of QMS certificate to QMC through DBM-SPIB
<i>General Administration and Support Services (GASS)</i>		
March 30, 2019	<ul style="list-style-type: none"> COA Financial Reports (<i>small agencies</i>) 	
March 31, 2019	<ul style="list-style-type: none"> FY 2019 APP-non CSE Results of FY 2018 APCPI System 	
September 30, 2019	<ul style="list-style-type: none"> Indicative FY 2020 APP-non CSE 	<ul style="list-style-type: none"> Posting in the Transparency Seal
December 15, 2019	<ul style="list-style-type: none"> FY 2020 APP-CSE 	
December 31, 2019	<ul style="list-style-type: none"> Sustained Compliance w/ Audit Findings 	
January 31, 2020	<ul style="list-style-type: none"> Early Procurement Activities 	<ul style="list-style-type: none"> Submit Certification under Oath of Compliance to EPA to the GPPB Posting of all Contracts and Notice to Proceed of successful EPAs
<i>Other-cross Cutting Requirements</i>		
October 1, 2019	<ul style="list-style-type: none"> Agency SALN Review and Compliance Procedure Agency's System of Rating and Ranking of Delivery Units 	<ul style="list-style-type: none"> To be posted in the Transparency Seal
November 30, 2019	<ul style="list-style-type: none"> People's FOI Manual 	<ul style="list-style-type: none"> To be posted in the Transparency Seal
January 31, 2020	<ul style="list-style-type: none"> FOI Reports 	<ul style="list-style-type: none"> Agency Information Inventory 2019 FOI Registry and FOI Summary Report Screenshot of agency's home page

3.0 EFFECTIVITY CLAUSE

This Supplemental Guidelines to the AO 25 IATF MC No. 2019-1 dated September 3, 2019 shall take effect immediately.

Certified true copies of this Circular shall be posted on the RBPMS website and the Official Gazette, and shall be filed with the University of the Philippines (UP) Law Center.


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



MODIFIED FORM A – DEPARTMENT/AGENCY PERFORMANCE REPORT

DEPARTMENT/AGENCY: _____

STREAMLINING AND PROCESS IMPROVEMENT OF GOVERNMENT SERVICES																
NAME OF SERVICE ¹	NUMBER OF STEPS		TURNAROUND TIME (TAT)		NUMBER OF SIGNATURES		NUMBER OF REQUIRED DOCUMENTS		TRANSACTION COSTS				SUBSTANTIVE COMPLIANCE COST		CITIZEN/CLIENT SATISFACTION RESULTS	
	TARGET IN FY 2019	STATUS OF STREAMLINING EFFORTS IN FY 2019	TARGET IN FY 2019	STATUS OF STREAMLINING EFFORTS IN FY 2019	TARGET IN FY 2019	STATUS OF STREAMLINING EFFORTS IN FY 2019	TARGET IN FY 2019	STATUS OF STREAMLINING EFFORTS IN FY 2019	TARGET IN FY 2019	STATUS OF STREAMLINING EFFORTS IN FY 2019	TARGET IN FY 2019	STATUS OF STREAMLINING EFFORTS IN FY 2019	TARGET IN FY 2019	STATUS OF STREAMLINING EFFORTS IN FY 2019	TARGET IN FY 2019	STATUS OF STREAMLINING EFFORTS IN FY 2019
Frontline Services																
Name of Service 1																
Name of Service 2																
Name of Service 3																
Non-Frontline Services																
Name of Service 1																
Name of Service 2																
Name of Service 3																

Prepared by: _____

Name of Officer / Designation / Date

Approved by: _____

Department Secretary/Agency Head/ Date

¹ Departments/Agencies may add rows as needed.

**GUIDELINES IN ACCOMPLISHING
FORM A – MODIFIED DEPARTMENT/AGENCY PERFORMANCE REPORT**

I. Streamlining and Process Improvement of the Agency's Critical Service

1. Indicate the name of the frontline/non-frontline service.
2. Indicate the Targets in FY 2019 and FY 2019 Status of Streamlining Efforts for each service.
3. Indicate the Target in FY 2019 and FY 2019 Status of Streamlining Efforts in the Fees Paid for each service.
4. Indicate Target in FY 2019 and FY 2019 Status of Streamlining Efforts in the Other Transaction Fees for each service.
5. Indicate the Target in FY 2019 and FY 2019 Status of Streamlining Efforts in the Substantive Compliance Cost for each service.
6. Indicate the Target in FY 2019 and FY 2019 Status of Streamlining Efforts in the Number of Signatures for each service.
7. Indicate the Target in FY 2019 and FY 2019 Status of Streamlining Efforts in the Number of Required Documents for each service.
8. Indicate the Target in FY 2019 and FY 2019 Status of Streamlining Efforts in the Turnaround Time for each service.
9. Indicate the Target in FY 2019 and FY 2019 Status of Streamlining Efforts in the Citizen/Client Satisfaction Results for each service.

II. General Administration and Support Services (GASS)

1. Indicate the FY 2018 and FY 2019 Accomplishments for the BUR.
2. Indicate the results of agency's compliance with COA audit findings.
3. Indicate the required dates for the Quarterly BFARs and COA Financial Reports.
4. Indicate the required dates for the compliance with the each Procurement Requirements.
5. Indicate the required dates for compliance with QMS Certification requirement.

III. Good Governance Conditions

1. Indicate the date when all requirements for TS were complied with.
2. Indicate the most recent date when PhilGEPS postings were updated.

IV. Other Cross-Cutting Requirements

3. Indicate the date when the Review and Compliance Procedure was posted in the TS page.
4. Indicate the required dates for the compliance with FOI program.
5. Indicate the date when the Agency's System of Ranking Delivery Units was posted in the TS page.

MODIFIED FORM A1-DETAILS OF BUREAU/OFFICE PERFORMANCE REPORT¹

(1) Name of Department/Agency: _____

(2) Name of Service: _____

(3) Responsible Delivery Units / Processing Units: _____

(4) Identified Client/Customer(s)	(5) Number of clients visits in 2019	(6) Volume of Transactions in 2019

(Note: can be provided in a separate sheet)

1. Number of Steps				
2. Turnaround Time (TAT) ²				
3. Number of signatures ³				
4. Number of required documents ⁴				
5. Transaction Costs				
5.1 Primary transaction costs/fees				
5.2 Other transaction costs				
6. Substantive Compliance Costs				
7. Client/Citizen Satisfaction Results				

Prepared by: _____

Approved by: _____

Name of Officer / Designation / Date

Department Secretary/Agency Head/ Date

¹ Departments/Agencies may reproduce this sheet for each critical service as needed.
² Follow R.A. 11032 - 3 days (simple), 7 (complex), and 20 (highly technical) and/or lower than the FY 2018 status.
³ Follow R.A. 11032 - reduce to three (3) signatures; including initials.
⁴ Reduction of required documents, OR simplification of forms.
⁵ Definitions based on JMC No. 2019-001- Implementing Rules and Regulations (IRR) on RA #11032.

**GUIDELINES IN ACCOMPLISHING
MODIFIED FORM A1 – DETAILS OF BUREAU/OFFICE PERFORMANCE REPORT**

- Row 1. Indicate the **name of the department/agency**.
- Row 2. Indicate the **name of the critical government service**. This form is used to present each of the critical government services. Departments/agencies shall reproduce this form based on the number of critical government services that the department/agency provides. (Example: Business Enterprise Registration, Accreditation and Licencing Service, Provision of Technical Assistance, Application for Claims and Benefits, Conduct of Research for Stakeholders, Production of IEC Material, Request for Status of Reports).
- Row 3. Indicate the **bureaus/offices/delivery units/processing units** responsible in the processing, delivery, and completion of the critical government service.
- Column 4. Identify the **client/customer(s)** who avail the critical government service/s declared by the agency.
- Column 5. Report the **number of client/customer(s)** who availed the critical government service in FY 2019. If there are variations of the service, indicate the disaggregated data on the number of client/customers for FY 2019.
- Column 6. Report the **volume of transactions** for FY 2019 for the critical government service. If there are variations of the service, indicate the disaggregated data on the Volume of Transactions for FY 2019.
- Column 7. The department/agency shall indicate the status of each criterion⁵ as of FY 2018, under each government service (frontline and non-frontline).
1. ***Number of Steps*** – required number of steps to complete the critical service.
 2. ***Turnaround Time (TAT)*** – total time required, including the waiting and processing time, to complete the government service.
 3. ***Number of Signatures*** – required number of signatures to complete each government service; including initials.
 4. ***Number of Required Documents*** – total number of required documents to complete the government service.

5. **Transaction Costs** –

5.1 Primary Transaction Costs/Fees – fees declared in the agency's Citizen's Charter to be paid to the agency by an applicant or requesting party for availing a government service.

5.2 Other Transaction Costs – other fees to be paid by an applicant or requesting party to obtain supporting information from another agency in order to secure necessary primary information. Example: Transportation cost of applicant/client, photocopying cost, cost of getting other government issued documents etc.

6. **Substantive Compliance Costs** – are incremental costs, other than administrative costs, incurred by a transacting public in the course of complying with a regulation. These costs may include implementation costs, direct labor, overhead, equipment, material, and external service costs.

7. **Citizen/Client Satisfaction Results** – data on the results of conducted Citizen/Client Satisfaction survey or feedback per government service.

Column 8. Report **agency target in FY 2019** by the department/agency in each criteria of the government service (frontline and non-frontline).

Column 9. Report **FY 2019 streamlining efforts** accomplished by the department/agency in each criteria of the government service (frontline and non-frontline).

Column 10. In the event that the department/agency is unable to provide data in each criterion, departments/agencies shall provide justifications/explanations using the **remarks column**. The acceptance of explanation/s shall be subject to the review and recommendations of the validating agency/ies.