



Republic of the Philippines  
Department of Labor and Employment  
**NATIONAL LABOR RELATIONS COMMISSION**  
Quezon City



**ADMINISTRATIVE ORDER NO. 09-01**  
(Series of 2019)

In the interest of the service, and pursuant to Memorandum Circular No. 2019-1, 03 September 2019 on the Guidelines for the Grant of the Performance-Based Bonus (PBB) for Fiscal Year 2019 under Executive Order No. 80, series of 2012 and Executive Order No. 201, series of 2016, the following are the criteria and conditions for the grant of the PBB:

**A. Agency Eligibility Requirements**

**1. Major Final Output (MFO)**

**a. 100% Accomplishment of Performance Target Indicators:**

Indicators	Targets
i. Percentage (%) of original cases resolved within nine (9) months (RABs)	96%
Percentage (%) of appealed cases resolved within six (6) months (Commission)	96%
ii. Percentage (%) increase in cases resolved through conciliation and mediation	60%
iii. Percentage (%) of decisions affirmed by a higher court	98%
iv. Percentage (%) of cases resolved within three (3) months from filing of case (RABs and Commission)	68%

**2. Streamlining and Process Improvement of the Agency's Critical Services** covering all Government-to-Citizens (G2C), Government-to-Businesses (G2B), and Government-to-Government (G2G) transactions as cited in the agency's Citizen's/Service Charter. To promote the periodic measurement of agency performance in delivering said services, agencies shall determine and report the following using Annex 3A Modified Form A-Agency Performance Report:

- a. **Number of Steps** which refers to number of steps to complete the service. Agency shall report in detail the steps necessary to compete the service including flow charts indicating the front end and back end.
- b. **Turnaround Time (TAT)** which is the sum of the waiting tie and processing time. TAT starts from the moment the transacting client enters the queue or fills out the form, and the waiting time incurred until the service has been completed/delivered.
- c. **Number of Signatures** which refers to the number of signatures and initials from the employees and officers of the agency necessary to complete each service.

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- d. **Number of Required Documents** which refers to the total number of required documents that must be provided by the transacting client to the government.
- e. **Transaction Costs** which are the costs incurred by the transacting client in the course of availing of a government service. These costs are categorized as follows:
  - i. **Primary Transaction Costs/Fees** which are the fees declared in the agency's Citizen's/Service Charter to be paid to the agency by the transacting client for availing a government service (e.g. application/registration/filing fees, etc.).
  - ii. **Other Transaction Costs** which are the other costs incurred by the transacting client to obtain supporting information from another agency in order to secure the necessary primary information. These costs also include the other expenses shouldered by the transacting client until the service has been completed by the government (e.g. printing and photocopying costs, transportation expenses of the transacting client, etc.).
- f. **Substantive Compliance Costs** which are the incremental costs other than administrative costs incurred by the transacting public in the course of complying with a regulation, such as implementation costs, direct labor costs, overhead costs, equipment costs, material costs, and external service costs.

Agencies shall report the baseline information of each abovementioned streamlining criteria based on the agency's Citizen's/Service Charter updated prior to FY 2019. They shall set their FY 2019 Streamlining Improvement Target for each streamlining criteria 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;
- c. Reduction in the turnaround time and completion of the transaction in accordance with the provisions of the EODB law not to exceed the maximum period of three (3), seven (7), and twenty (20) based on the classification of transactions, unless otherwise indicated under special laws.

Agencies shall submit supporting documents such as flow charts, legal bases, additional documents, etc. to show actual improvements, and proof of streamlining accomplishments. In the event the agency is unable to achieve the targets they set in this section, they shall provide justifications, explanations, and supporting documents using the remarks. The acceptance of explanation shall be subject to the review and recommendation of the validating agency.

3. **Citizen/Client Satisfaction.** To determine the effectiveness of the streamlining and process improvements initiated by agencies, the satisfaction level of the citizens/clients will be measured and reported. Agencies should embed feedback mechanisms and citizen/client satisfaction measurement in their process improvement efforts. Using the improvement action plan that agencies reported for FY 2018 PBB, for each service, agencies shall report the results of each action plan and the FY 2019 Citizen/Client Satisfaction Survey for each service.

Agencies shall report the following information using Citizen/Client Satisfaction Report:

- a. Description of the methodology of the Citizen/Client Satisfaction Survey used for each reported service.
- b. Results of the Citizen/Client Satisfaction Survey for FY 2019
- c. Results of their action plan reported in the FY 2018 PBB
- d. Continuous improvement plan for FY 2020

4. **Support to Operations (STO) Target. Initial Certification/Recertification of the agency's Quality Management System (QMS) covering at least one (1) core process or frontline service.** For the ISO 9001:2015 QMS certification, it must be issued by any of the certification bodies accredited by the International Accreditation Forum (IAF) members.

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

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

For frontline agencies, it is expected that the core process to be covered by the QMS pertains to an agency process most demanded by citizens and business, and targeted for improvement under requirement numbers 2 and 3 above.

5. **General and Administrative Support Services (GASS)**

- a. **Budget Utilization Rate (BUR)** which shall consist of:
  - i. **Obligations BUR** is computed as obligation rates for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) of all programs, activities, and projects funded in FY 2019 from all appropriation sources, including those released under the 2019 General Appropriations Act as the Allotment Order Policy, net of savings from procurement, and implementation of cost-cutting measures.
  - ii. **Disbursements BUR** is measured by the ratio of total disbursement (cash and non-cash, excluding Personnel Services) to total obligations for MOOE and CO in FY 2019 appropriations, net of goods and services obligated by December 31, 2018 but executed and paid only in 2019. The

objective is to measure the disbursements and obligations for MOOW and CO for the 2019 appropriations.

- 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, which exclude the Property, Plant and Equipment (PPE)-related items of the Annual Audit Report (AAR). Audit findings closed in FY 2017 should also not recur. The objective is to improve the agency's internal control processes, enhance operational effectiveness, and eliminate, resolve and remedy most, if not all, of the agency audit findings, by the end of 2020.
- c. **Compliance with Quarterly Submission of Budget and Financial Accountability Reports (BFARs) Online Using the DBM's Unified Reporting System (URS)** 30 days after end of each quarter, as provided in Section 102 of the FY 2019 GAA.
- d. **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 2019 APP-non CSE should have been submitted to the GPPB-TSO on March 31, 2019. The same should be posted in the agency TS page not later than one month after the issuance of this Circular.
- e. **Submission of FY 2020 Annual Procurement Plan-Common-Use Supplies and Equipment (FY 2020 APP-CSE)** to the DBM-Procurement Service on or before October 31, 2019 in the prescribed format by DBM-PS. The same should be posted in the agency TS not later than October 31, 2019.
- f. **Undertaking of Early Procurement for at least 50% of the value of goods and services based on the agency's budget submitted to the Congress consistent with the NEP.** In implementing the cash budgeting system, agencies should subject at least 50% of their budget for works, goods and service requirements to be procured for their FY 2020 operations to Early Procurement, short of award as early as the submission of the NEP to Congress. Agencies should update their PhilGEPS postings for Early Procurement by posting the Approved Contract and Notice to Proceed in PhilGEPS 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.

- g. **Submission of results of FY 2018 Agency Procurement Compliance and Performance Indicators (APCPI) System,** per GPPB Resolution No. 39-2017, 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 on or before March 31, 2019.

## 6. Other Cross-Cutting Requirements

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

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

- b. **Comply with the Freedom of Information (FOI) Program** pursuant to Executive Order No. 2, s. 2016, based on the enhanced requirements of the Presidential Communications Operations Office (PCOO). Agencies should comply to the following FOI requirements within the set deadline:
- i. The Updated People's FOI Manual (including new designated list of FOI Receiving Office/rs and its contact details, if any) duly signed by the Head of the Agency and uploaded in the agency TS page on or before November 30, 2019;
  - ii. The FOI Reports (Agency Information Inventory, 2019 FOI Registry, and 2019 FOI Summary Report) uploaded in the agency TS page on or before January 31, 2020; and,
  - iii. 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](http://www.foi.gov.ph)) submitted through email: [foipco@gmail.com](mailto:foipco@gmail.com) on or before January 31, 2020.

Agencies should submit the accomplished FOI Reports strictly in one (1) Excel format (.xls) based on templates provided in this link: [www.bit.ly/2018FOIReports](http://www.bit.ly/2018FOIReports). Submissions not compliant to the file format and templates will not be considered. All agencies including those already onboard the eFOI portal, are required to send the soft copy submissions to [foipco@gmail.com](mailto:foipco@gmail.com).

- c. To reinforce fairness in the assessment of the performance of each delivery unit under operations with those under support services, agencies should also declare non-frontline services provided to units/employees performed by the latter delivery units. Doing so will strengthen the accountability of every delivery unit in streamlining and improving their processes and services to citizens/clients, internal units/employees, and to the Composite Team from AO 25 IATF agencies. Likewise, it will also provide performance data to support the equitable ranking of each delivery unit. Agencies shall also report applicable baseline information required.

## 7. Good Governance Conditions (GGCs)

- a. **Maintain/Update the agency Transparency Seal (TS) requirements**, which include:
- 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/4<sup>th</sup> Quarter. Incomplete or non-cumulative will not be counted):
    - 2015-2019 FAR No. 1: SAAOBDB (Statement of Appropriations, Allotments, Obligations, Disbursements and Balances as of December YEAR)
    - 2015-2019 Summary Report on Disbursements
    - 2015-2019 BAR No. 1: Quarterly Physical Report of Operations/Physical Plan
    - 2015-2019 FAR No. 5: Quarterly Report on Revenue and Other Receipts
    - 2015-2019 Financial Plan (Detailed Statement of Current Year's Obligations, Disbursements and Unpaid Obligations);
  - iii. DBM Approved Budget and Corresponding Targets for FY 2019:
    - Budget for FY 2019
    - GAA targets for FY 2019;
  - iv. Projects, Programs and Activities, Beneficiaries, and Status of Implementation for FY 2019:
    - Projects, Programs 2019
    - Beneficiaries 2019
    - Status of Implementation 2019
  - v. FY 2019 Annual Procurement Plan (FY 2019 APP Non-CSE), Indicative FY 2020 APP Non-CSE, and FY 2020 APP for Common-Supplies and Equipment (FY 2020 APP CSE);
  - vi. Quality Management System (QMS) Certification to ISO 9001:2015 issued by any of the certification bodies (CBs) accredited by the International Accreditation Forum (IAF) members or similar standards relating to Total Quality Management (TQM), of at least one (1) core process or frontline service;
  - vii. System of Agency Ranking Delivery Units for FY 2019 PBB;
  - viii. The Agency Review and Compliance Procedure of Statements and Financial Disclosures; and,
  - ix. The Final People's Freedom of Information (FOI) Manual signed by head of agency; Agency Information Inventory; 2019 FOI Registry, and 2019 FOI Summary Report.
- b. **Update the PhilGEPS posting of all Invitations to Bids and awarded contracts** pursuant to the Government Procurement Reform Act (R.A. 9184) for transactions above P1Million from January 1 to December 31, 2019, including Early Procurement of FY 2020 Non-Common Use Supplies and Equipment (Non-CSE) items.

- c. **Maintain/Update the Citizen's or Service Charter or its equivalent**, reflecting the agency's enhanced service standards for all its government services to citizens, businesses, and government agencies, consistent with the objectives of RA No. 11032, and the President's directive to reduce processing time of all public transactions with government, and ensure accessible and convenient delivery of services to the public. The agency shall submit the Certificates of Compliance (CoC) based on the format prescribed by the Anti-Red Tape Authority on or before December 31, 2019.

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

**B. Delivery Unit Ranking Requirements**

1. **Case Disposition (Total Case Disposition Rule)**
2. **Ageing of Cases (Oldest Pending Case Rule)**
  - a. **Regional Arbitration Branches (RABs)**

<b>Regional Arbitration Branches</b>						
Months Pending	Ave. Monthly Cases Received					
	30 & above	25-29	20-24	15-19	10-14	1-9
0	190%	180%	170%	160%	150%	140%
1	180%	170%	160%	150%	140%	130%
2	170%	160%	150%	140%	130%	120%
3	160%	150%	140%	130%	120%	110%
4	150%	140%	130%	120%	110%	100%
5	140%	130%	120%	110%	100%	90%
6	130%	120%	110%	100%	90%	80%
7	120%	110%	100%	90%	80%	70%
8	110%	100%	90%	80%	70%	60%
9	100%	90%	80%	70%	60%	50%
10	90%	80%	70%	60%	50%	40%
11	80%	70%	60%	50%	40%	30%
12	70%	60%	50%	40%	30%	20%
13 & above	60%	50%	40%	30%	20%	10%

b. Commission Proper

Commission Proper	
Months Pending	Percentage Rating
0-1	130%
2-3	120%
4-5	110%
6	100%
7	90%
8	80%
9	70%
10	60%
11	50%
12	40%
13 & above	0%

C. Eligibility of Individuals

- a. Heads of Attached Agencies are eligible only if their respective agencies are eligible. If eligible, their maximum PBB rate for FY 2019 shall be equivalent to 65% of their monthly basic salary as of December 31, 2019.
- b. Employees belonging to the First, Second and Third Levels should receive a rating of at least "Satisfactory" based on the agency's CSC-approved Strategic Performance Management System (SPMS).
- c. 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.
- d. 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.
- e. 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.
- f. An official or employee who has rendered a minimum of nine (9) months of service during the fiscal year and with at least "Satisfactory" rating may be eligible to the full grant of the PBB.
- g. 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 to 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 Rate</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:

- i. Being a newly-hired employee;
  - ii. Retirement;
  - iii. Resignation;
  - iv. Rehabilitation Leave;
  - v. Maternity Leave and/or Paternity Leave;
  - vi. Vacation or Sick Leave with or without pay;
  - vii. Scholarship/Study Leave; and,
  - viii. Sabbatical Leave.
- h. An employee who is on vacation or sick leave with or without pay, for the entire year is not eligible to the grant of the PBB.
- i. Personnel found guilty of administrative and/or criminal cases by final and executory judgment in FY 2019 shall not be entitled to the PBB. If the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- j. Officials and employee who failed to submit the 2018 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3, series of 2015; or those who are responsible for the non-compliance with the establishment and conduct of the review and compliance procedure of SALN, shall not be entitled to the FY 2019 PBB.
- k. Officials and employees who failed to liquidate all cash advances received in FY 2019 within the reglementary period, as prescribed in COA Circular 97-002 dated February 10, 1997 and reiterated in COA Circular 2009-002 dated May 18, 2009, shall not be entitled to the FY 2019 PBB.
- l. Officials and employees who failed to submit their complete SPMS Forms shall not be entitled to the FY 2019 PBB.
- m. Agency heads should ensure that officials and employees covered by RA 6713 submitted their 2018 SALN to the respective SALN repository agencies, liquidated their FY 2019 Cash Advances, or completed the SPMS Forms, as these will be the basis for the release of FY 2019 PBB to individuals.
- n. Officials and employees responsible for the implementation of the prior years' audit recommendations, QMS certification, or posting and

dissemination of the agency system of ranking performance of delivery units, shall not be entitled to the FY 2019 PBB if the Agency fails to comply with any of these requirements.

**D. Ranking of Offices/Delivery Units**

- a. Agencies and their corresponding offices/delivery units that meet the criteria and conditions are eligible to the FY 2019 PBB. Offices/delivery units eligible to the PBB shall be **forced ranked** according to the following categories:

<b>Performance Category</b>	<b>Multiple of Basic Salary</b>
Best Delivery Unit	65%
Better Delivery Unit	57.5%
Good Delivery Unit	50%

- b. The declarations of responsible offices/delivery units in the completion of each critical service or other key processes shall be the basis for equitable performance ranking of offices/delivery units.
- c. Only the personnel belonging to eligible delivery units are qualified for the PBB.
- d. To recognize high performance of government employees in relation to the achievement of agency targets and requirements for the grant of the FY 2019 PBB, agencies shall list the names of employees who belong in the Best Delivery Unit/s using the Form 1.
- e. To heighten transparency among delivery units and employees, agencies shall cascade to their employees the agency guidelines/mechanics in ranking delivery units for the grant of the FY 2019 PBB.

**E. Rates of the PBB**

<b>Ranking</b>	<b>Performance Category</b>
Top 10%	Best Delivery Units
Next 25%	Better Delivery Units
Next 65%	Good Delivery Units

**F. Submission of Reports**

- a. Agencies should submit FY 2019 accomplishments using the Modified Form A-Agency Performance Report, Modified Form A-1-Details of Office Performance Report, Citizen/Client Satisfaction Report, Form 1 and the PBB Evaluation Matrix. They should submit duly completed and signed forms and reports to the IATF (two hard copies and e-copy of forms and other supporting documents) through the AO 25 Secretariat which shall endorse copies to the oversight/validating agencies for review/evaluation. All forms and reports should be signed by the agency head or the officially designated official.

- b. Submission of agency physical accomplishments and other requirements will be until February 28, 2020. Agencies shall ensure that all explanations and justifications are already attached to their submission.
- c. The COA Audit Team Leaders shall verify/monitor compliance of their respective agencies with the audit recommendations shown in the Status of Implementation of Prior Years' Audit Recommendations in the Annual Audit Report/Management Letter and submit a report thereon, to the concerned Supervising Auditor (SA). The SA will then prepare a summary report for submission to the concerned Cluster Director. Based on the reports submitted by the SAs, the Cluster Director shall submit to the IATF Secretariat, copy furnished the Sector Head and RMBO, PFMS, both of COA, a Summary List of Agencies that complied with the required minimum 30% full implementation of audit recommendations.
- d. Results of the validation showing non-compliant agencies shall be posted in the RBPMS website. The IATF shall conduct spot-checks to validate claims and certifications made by agencies.

#### **G. Effects of Non-Compliance**

- a. For FY 2019, agencies that are unable to comply with all the Good Governance Conditions shall be considered ineligible for the FY 2019 PBB.
- b. Agencies that are unable to comply with a maximum of two (2) Performance Targets due to controllable factors as determined by the validating agencies shall be considered ineligible for the FY 2019 PBB.
- c. In the event the AO 25 IATF conducted random check of submitted SALN of employees and found non-compliance with the guidelines prescribed by the CSC and the posted Review and Compliance Procedure of the concerned agency, such incident could be a cause to disqualify the agency in the succeeding cycle of the PBB.
- d. Prohibited Acts: An agency, 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: (i) misrepresentation in the submitted reports required for the PBB, commission of fraud in the payment of the PBB and violation of the provisions of the Circular; and, (ii) evenly distributing PBB among employees in an agency, in violation of the policy of paying the PBB based on the ranking of delivery units.

For information and strict compliance.

04 September 2019.

  
GERARDO C. NOGRALES  
Chairman