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1. Background

The Zamboanga City Water District (ZCWD) is a government-owned and controlled corporation formed and created pursuant to Title II, Section 6 of Presidential Decree 198 otherwise known as the Provincial Water Utilities Act of 1973 as amended, and by Resolution No. 77 of the City Council of Zamboanga dated March 04, 1974.

As a GOCC, it is regulated by government rules and regulations on salaries, allowances, performance evaluations, and rewards system, among others. Likewise, it is covered by the pertinent policies, issuances, and/or guidelines on the entitlement to the grant of the Performance-Based Bonus (PBB) authorized under Executive Order (E.O.) No. 80, Series of 2012.

The PBB shall be granted to eligible bureaus, offices, and/or delivery units according to their contribution to the accomplishments of their agency's overall targets and commitments subject to the eligibility criteria and requirements set forth in MC 2017-1, dated March 09, 2017, and Joint LWUA-DBM MC No. 2017-014-17 dated July 31, 2017.

2. Legal Bases

- 2.1. Administrative Order No. 25, December 21, 2011 – to create an Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems. It states that the harmonized RBPMS shall also be used as basis for determining entitlement to performance-based allowances, incentives, or compensation of government personnel.
- 2.2. Executive Order No. 80, Series of 2012 – to direct the adoption of a Performance-based Incentive System for Government Employees.

The same EO provides that the PBB shall be characterized as a system of ranking units and personnel within an organization according to their performance as measured by verifiable, observable, credible, and sustainable indicators of performance as formulated by the PMT and approved by the Executive Committee/General Manager.

- 2.3. MC No. 2012-1 August 13, 2012 "Guidelines on the Cascading of Department Performance Targets" - in line with Executive Order No. 80.

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- 2.4. CSC Memorandum Circular No. 06, S.2012 *"Guidelines in the Establishment and Implementation of Agency Strategic Performance Management System (SPMS)* - prescribes the use of the Organizational Performance and Commitment and Review Form for delivery units and the Individual Commitment and Review Form for individual employees.
- 2.5. LWUA MC No. 015-16, dated October 21, 2016 *"PBB 2016 Ranking of Delivery Units"* - guidelines and basis for the identification and determination of delivery units for Local Water Districts, as prescribed under Section 9.2 of Joint LWUA-DBM MC No. 2017-014-17, dated July 31, 2017.
- 2.6. Memorandum Circular No. 2017-1, dated March 09, 2017 *"Guidelines on the Grant of the Performance-Based Bonus for Fiscal Year 2017 under Executive Order No. 80 s.012 and Executive Order No. 201 s.2016"* – prescribing the criteria and conditions for the grant of Performance-Based Bonus (PBB) for FY 2017 performance to be given in FY 2018.
- 2.7. Joint LWUA-DBM Memorandum Circular No. 2017-014-17, dated July 31, 2017 *"Guidelines on the Grant of the Fiscal Year 2017 Performance-Based Bonus (PBB) for Local Water Districts (LWDs) issued pursuant to Executive Order No. 80 and Memorandum Circular No. 2017-1"* – addressed to all Heads of LWDs (Local Water Districts); the same prescribes the common performance indicators (i.e. Major Final Outputs and Performance Measures) applicable across all LWDs, to serve as basis for determining PBB compliance and eligibility together with the prescribed GGCs (Good Governance Conditions).

3. Purpose and Objectives

- 3.1. This guideline has been prepared pursuant to the MCs mentioned herein under Section 2.6 and 2.7, it being one of the compliance requirements under the "Good Governance Conditions" (GGCs) required for PBB FY 2017 compliance and eligibility.
- 3.2. To serve as a supplement to the CSC-approved Strategic Performance Management System (SPMS), to provide bases for rating the performance of the different operating units of the ZCWD vis-à-vis Performance Commitments.
- 3.3. Enhance the delineation of roles and responsibilities of operating units and employees in relation to achieving organizational goals and targets.

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- 3.4. Aim to strengthen team spirit towards the effective execution of operational plans by linking personnel incentives to the delivery units and strengthening performance and appraisal systems based on existing systems, e.g. Organizational Performance Indicator Framework, SPMS of the Civil Service Commission, and the Results-Based Performance Management as provided under Administrative Order No. 25, Series of 2011. (MC No. 2014-02)

4. Performance Management Team

Pursuant to the approved SPMS, the Performance Management Team (PMT) was established by OGM Memo No. 2013-556 dated December 12, 2013, superseded by OGM Memo No. 091-15 dated February 23, 2015.

The PMT is authorized to exercise the following functions:

- a. Set consultation meetings with all Heads of Delivery Units to discuss the Office Performance Commitment and Rating (OPCR);
- b. Ensure that the group/department Performance Targets, Measures and Budget are aligned with those of the agency's Balanced Scorecard and other priorities set by the Management and the Board;
- c. Recommend approval of the Office Performance Commitment and Rating (OPCR) to the Executive Committee;
- d. Act as Appeals Body and Final Arbiter;
- e. Identify potential top performers for awards; and
- f. Adopt internal rules, procedures and strategies in carrying out its functions and responsibilities.

In addition, the PMT shall undertake regular organizational performance monitoring to ensure that strategic measures to address gaps are immediately instituted. Individual performance monitoring shall be mainstreamed in the functions of concerned supervisors in cooperation with the Human Resource Department.

5. Monitoring and Validation of Performance

The PMT and the HRD shall validate the performance ratings of operating units and employees, respectively, to determine progress of achievement. Managers and supervisors shall be primarily responsible in tracking performances of personnel under their respective offices.

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Performance shall be verified and validated through any or combination of the following, which shall be properly documented:

- a. Meetings (i.e. group or one-on-one discussions)
- b. Memorandum
- c. Progress/Accomplishment Reports
- d. Tracking/Slips/Feedback Forms
- e. Job Order Forms
- f. Actual inspection

Performance Evaluation shall be done annually. The PMT, however, may also determine the need to undertake performance monitoring and coaching sessions appropriate to prevailing circumstances. Performance measures shall be validated by the PMT whenever necessary.

6. Performance Categories and Incentive Rates

Section 10.1 of Joint LWUA-DBM MC No. 2017-014-17 provides, thus:

The rates of the enhanced PBB 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 the individual's monthly basic salary based on the following categories:

PERFORMANCE CATEGORY	MULTIPLE OF BASIC SALARY
Best Delivery Unit (10%)	0.65
Better Delivery Unit (25%)	0.575
Good Delivery Unit (65%)	0.50

For these purposes, "delivery units" shall pertain to the following ZCWD units:

1. Office of the General Manager
2. Operations Group
3. Finance Group
4. Administration Group
5. Technical Services Group

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Based on the foregoing and considering the ZCWD's organizational structure, the allowable number of delivery units per category shall be as follows:

Table 01 : Resulting number of Delivery Units per Rank/Category

Rank/Category	No. of Delivery Units and Rank
Best	DU Rank 1
Better	DU Rank 2
Good	DUs Rank 3, 4, and 5

7. Rating

7.1. A **"No Documentation, No Rating"** policy shall be adopted by the PMT. Delivery Units must substantially comply with the reportorial requirements as enumerated in the approved and disseminated Matrix of Report Submissions, which includes:

7.1.a. Annual Work Plan or OPCR that is consistent with the Balanced Scorecard and Major Initiatives including the corresponding budget. The OPCR shall objectively indicate the Rating Dimensions (e.g. Quality, Efficiency, Timeliness) for each of the success indicators;

7.1.b. Annual Accomplishment/Performance Reports; and

7.1.c. Individual Performance Commitment and Review Forms

The Matrix of Report Submissions may be updated by the PMT as needed, which will be immediately furnished to all units.

7.2. Reported accomplishments must be duly supported and evidenced by verifiable proof (supported accomplishments). To this end, the submission of (additional) reports, certifications, and/or documentation may be required.

Rating for planned and/or intervening tasks shall always be supported by reports, documents, or any outputs as proofs of actual performance. In the absence of said bases or proofs, a particular task shall not be rated and shall be disregarded.¹

¹ ZCWD SPMS Guidelines, August 11, 2015

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7.3. Should there be any inconsistencies and/or inaccuracies in its documentations and submissions, the same may serve as ground for PBB ineligibility, subject to due process and proper determination by the PMT.

7.4. No downward adjustments/modifications of operational targets already endorsed by the AGMs to the PMT/CorPlan shall be allowed. Instead, the concerned delivery units shall report on the reasons/difficulties/challenges to achieving the set (operational) targets for not meeting the set (operational) targets. The same shall be taken up by the PMT for appropriate action.

Upward adjustments consistent with the Balanced Scorecard and included among the Major Initiatives may be allowed by the PMT, provided such are supported by the approved budget.

7.5. Performance Ratings shall have two parts. Part I (80%) shall cover ratings on Quality, Efficiency, and Timeliness in achieving physical targets. Part II (20%) shall consider the Critical Factors of Punctuality and Attendance.

Table 02 : Rating Mechanics

PART 01					
PARAMETERS Quality - Written Work	POINTS				
	5	4	3	2	1
No mistakes or deficiency; every aspect of work assignment well-covered; clearly presented; well-organized; no grammar or content issues	X				
One or two minor errors or deficiencies; output is in accordance with instructions; clearly presented; well-organized; one or two grammar or content issues		X			
More than two minor errors or deficiencies; partial minor revision needed; three grammar issues or errors in content			X		
One or two major errors or deficiencies; major revision needed; four or five lapses in grammar or errors in content				X	
Work not acceptable; needs total revision					X
<ul style="list-style-type: none"> ▪ refers to effectiveness of staff in producing outputs; ▪ answers the questions: (a) is the output well-researched? (b) what was the nature of revision – minor or major? 					
PARAMETERS Quality – Non-Written Work	POINTS				
	5	4	3	2	1
Excellent results; all aspects of work assignment thoroughly covered; no mistakes in performing the duty	X				
One or minor errors in the execution of work assignment; results still very good; one or two mistakes in performing the duty		X			



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More than two minor errors or deficiencies in the execution of work assignment; results are acceptable; three (3) mistakes in performing the duty			X		
One major error or deficiency that can be overcome with help from supervisor; four or five (4 or 5) mistakes in performing the duty				X	
Haphazard or careless execution of work assignment; unacceptable results; six (6) or more mistakes in performing the duty					X

PARAMETERS	POINTS				
	5	4	3	2	1
Efficiency (Quantity/Physical Targets)					
Performance exceeding 30 percent (30%) of planned targets	X				
Performance exceeding 15 to 29 percent (15%-29%) of planned targets		X			
Performance of within 100 to 114 percent (100% – 114%) of planned targets			X		
Performance of 51 - 99 percent (51%-99%) of planned targets				X	
Performance failing to meet the planned targets by 50% or below					X

In cases where a physical target cannot be exceeded because of the nature of the task, a rating of four (4) shall be allowed.

Timeliness	5	4	3	2	1
Output is submitted 3 days or more before deadline	X				
Output is submitted 1-2 days before deadline		X			
Output is submitted on deadline			X		
Output is submitted 1-2 days after deadline				X	
Output is submitted 3 days after deadline					X



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PART 02					
<i>Critical Factors - For this purpose, absences credited under sick leave (15 days), special privilege leave (3 days), forced/ mandatory leave (5 days), solo parent leave (7 working days), maternity leave (60 calendar days), and paternity leave (7 working days) are not included in the counting of days under this factor.</i>					
PARAMETERS			POINTS		
Punctuality	5	4	3	2	1
Tardy not more than 6 times during the year	X				
7-12 times tardy/undertime		X			
13-20 times tardy/undertime			X		
21-30 times tardy/undertime				X	
more than 30 times tardy/undertime					X
Attendance	5	4	3	2	1
Not more than 15 days absent (absences applied for in accordance with regulations)	X				
16-23 days absent		X			
24-31 days absent			X		
32-39 days absent				X	
More than 39 days absent					X

7.6. Failure to conform to the prescribed criteria will render a delivery unit ineligible for the PBB. In the event of such a failure, the PMT shall issue an official and final declaration to that effect.

Each Group, in consultation with the concerned department managers, shall carefully determine the weight distribution of functions according to the following work classification:

- a. **Strategic Priority** - programs, projects and activities indicated in the Balance Scorecard and Major Initiatives contained in the Strategic Plan which must be cascaded into the Office/Individual Performance Commitment Review (OPCR/IPCR) of all delivery units and staff.
- b. **Core Functions** – functions/assignments inherent to the position.
- c. **Support Functions** - tasks supporting core functions.

The average rating shall be multiplied with the assigned weights to determine overall numerical rating of each staff.

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Table 3: Weight Distribution of Functions

OPERATING UNIT	STRATEGIC PRIORITY	CORE FUNCTIONS	SUPPORT FUNCTIONS	TOTAL
Office of the General Manager				
<i>OGM/Board Staff</i>	-	-	100%	100%
<i>Legal Department</i>	30%	20%	50%	100%
<i>Corporate Planning Department</i>	-	-	100%	100%
Operations Group				
<i>Production Department</i>	40%	60%	-	100%
<i>Pipelines and Appurtenances Maintenance Department</i>	30%	60%	10%	100%
Technical Services Group				
<i>Engineering and Construction Department</i>	70%	20%	10%	100%
<i>Environment and Watershed Department</i>	70%	20%	10%	100%
Administration Group				
<i>Human Resource Department</i>	-	-	100%	100%
<i>General Services Department</i>	30%	60%	10%	100%
Finance Group				
<i>Accounting and Financial Management Department</i>	-	-	100%	100%
<i>Commercial Services Department</i>	-	70%	30%	100%

8. Computation of OPCR Rating

The identified major components of the Organizational Performance and Commitment Rating (OPCR) are as follows:

Strategic Priority (MFO 1 – Water Facility Service Management)

PI1 - Quantity

PI2 - Quality

PI3 – Adequacy/Timeliness

Core Functions (MFO 2 – Water Service Distribution)

PI1 – Non-Revenue Water

PI2 - Potability

PI3 – Adequacy/Timeliness

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Support Functions (MFO 3)
General Administration and Support Services
Support to Operations (STO)
Good Governance Conditions (GGCs)

In determining the OPCR Final Rating, the following computations shall be used:

CATEGORY	MFOs	RATING
Strategic Priority	3	$[(PI1 + PI2 + PI3) \div 3] \times 20\%$
Core Functions	3	$[(PI1 + PI2 + PI3) \div 3] \times 50\%$
Support Functions	3	$[(GASS + STO + GGCs) \div 3] \times 30\%$

9. Ranking

- 9.1. A Delivery Unit's rank and rating shall be as that of its head (i.e. AGM). When ranking the heads of the delivery units, only the points under *Part 01* shall be the basis for such. Punctuality and Attendance shall only be factored in to break a resulting tie in rankings amongst the heads of the delivery units.
- 9.2. Where a tie persists despite the scenario in 9.1, the PMT may opt to resort to a coin toss or drawing of lots to resolve the final rankings of the concerned units.
- 9.3. The General Manager's PBB rate for FY 2017 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 (Section 8.1, Joint LWUA-DBM MC No. 2017-014-17).
- 9.4. Scores/Ratings for Assistant General Managers (AGM) shall be the average of the score ratings of their corresponding department units. The result shall be used in determining their corresponding ranking for purposes of ranking-performance category as against the other delivery units.
- 9.5. For purposes of Section 9.1, the Office of the General Manager (OGM), as a delivery unit, shall include the Legal Department, Corporate Planning Department, and all staff occupying plantilla positions under the OGM structure.

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9.6. Considering 9.3, the rank of the said delivery unit shall be determined based on the average score of the following:

- a. DPCR Rating - Legal Department;
- b. DPCR Rating – Corporate Planning Department; and
- c. Average of IPCR Ratings for all staff occupying plantilla positions under the “Office of the General Manager”.

10. Report on Ranking of Delivery Units

The resulting ranking of delivery units shall be indicated in Form 1.0 “Report on Agency Rating and Ranking” (Section 9.6, Joint LWUA-DBM MC No. 2017-014-17, July 31, 2017). The Human Resources Department shall cause the preparation and submission of the same to allow timely compliance by the agency with the prescribed submission period (i.e. January 31, 2018).

11. Appeals²

Performance assessments as discussed in the performance review conference shall be final and appealable. Any issue/appeal on the matter shall be discussed and decided accordingly by the PMT with finality.

Individual employees who feel aggrieved or dissatisfied with their final performance ratings can file an appeal with the PMT within ten (10) days from the date of receipt of notice of their final performance evaluation rating from the General Manager. A Department/Office/Unit or individual employee, however, shall not be allowed to protest the performance ratings of their Department/Office/Unit or co-employees. Ratings obtained by other Department/Office/Unit or employees can only be used as basis or reference for comparison in appealing one’s Department or individual performance rating.

The PMT shall decide on the appeals within ten (10) working days from receipt thereof.

Officials or employees who are separated from the service on the basis of Unsatisfactory or Poor performance rating can appeal their separation to the CSC or its Regional Office within fifteen (15) days from receipt of the order or notice of separation.

² Derived from ZCWD SPMS Guidelines, August 11, 2015

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12. Other Matters

All other matters and concerns not covered by this guideline shall be governed by the following issuances, where applicable:

- a. Memorandum Circular No. 2017-1, dated March 09, 2017; and
- b. Joint Memorandum Circular No. 2017-014-17, dated July 31, 2017

13. Funding

Budget for the PBB FY 2017, which is a top-up bonus, shall be charged against the office's Annual Corporate Operating Budget, subject to approval by the Board of Directors and established accounting and auditing rules and regulations.

*The System of Ranking Delivery Units for FY 2017 was approved and adopted during the
Joint PMT-MGM Meeting held on September 27, 2017
at the Board Room, ZCWD Main Office, Pilar Street, Zamboanga City, Philippines.*