



**Republika ng Pilipinas**  
 Republic of the Philippines  
**Kagawaran ng Tanggulang Pambansa**  
 Department of National Defense

28 SEP 2018

**MEMORANDUM to –**

**Chiefs of Offices, DND Proper**

**SUBJECT: Guidelines on the Grant of Performance-Based Bonus (PBB)  
 for FY 2018 of the Department of National Defense-Office of  
 the Secretary (DND-OSEC)**

Pursuant to AO 25 IATF Memorandum Circular No. 2018-1 dated 28 May 2018, hereby issued are the following guidelines on the grant of Performance-Based Bonus (PBB) for FY 2018 of the officials and employees of the DND-OSEC:

1. **Purpose.** To provide specific guidelines on the ranking of identified delivery units and eligibility of individuals (officials and employees) of the DND-OSEC for the grant of PBB for FY 2018.
2. **Coverage.** These guidelines shall cover -
  - 2.1 All identified delivery units of DND-OSEC; and
  - 2.2 All officials and employees of DND-OSEC holding regular plantilla positions having an employee-employer relationship with DND, and whose compensation is charged against the Personnel Services of the DND-OSEC.
3. **DND-OSEC Delivery Units.** Pursuant to AO 25 IATF Memorandum Circular No. 2018-1 dated 28 May 2018, the delivery units of DND-OSEC are as follows based on the approved Rationalization Plan (RATPLAN) and current organizational structure:

DND-OSEC Delivery Units	Number of Delivery Units
Office of the Secretary (OSEC)	1
<ul style="list-style-type: none"> <li>• Undersecretaries</li> <li>• Assistant Secretaries</li> <li>• Head Executive Assistant</li> <li>• Support Staff</li> </ul>	

Support Services (Direct Line Services)	5
<ul style="list-style-type: none"> <li>• Strategic Assessment Services (SAS)</li> <li>• Strategic Planning Service (SPA)</li> <li>• Financial Management Service (FMS)</li> <li>• Personnel Service (PS)</li> <li>• Acquisition, Installations and Logistics Service (AILS)</li> </ul>	
Support Services (Technical and Administrative Support Services)	5
<ul style="list-style-type: none"> <li>• Administrative Service (AS)</li> <li>• Public Affairs Service (PAS)</li> <li>• Legal Affairs Service (LAS)</li> <li>• Management Information System Service (MISS)</li> <li>• Internal Audit Service (IAS)</li> </ul>	
<b>Total</b>	<b>11</b>

#### 4. Ranking of DND-OSEC Delivery Units

4.1 DND-OSEC delivery units that meet the following criteria and conditions are eligible to the FY 2018 PBB:

4.1.1 Achieve at least 100% of the OPCR-approved performance targets for the delivery of Key Document Products (KDPs)/Key Products (KPs)/Key Services (KS) under Strategic Priorities.

4.1.2 Achieve at least 90% Utilization Rate of the funds allocated in the approved 2018 Annual Plan and Budget (APB).

4.2 DND-OSEC delivery units eligible to the FY 2018 PBB shall be force-ranked according to the following categories:

Category	Percentage Distribution	Number of Delivery Units
Best	10%	1
Better	25%	3
Good	65%	7

4.3 Eligible DND-OSEC delivery units shall be ranked using the following parameters and point allocation developed by the Office of Primary Responsibility (OPR).

4.3.1 **Office Accomplishments (30 pts).** This includes the ratings on physical accomplishments of targets as indicated in the OPCR based on the computed average points score from Strategic Priorities, Core Functions, and Support Functions. Details are shown below:

Parameters	Point Allocation	OPR
OPCR overall rating	20	OASPP
Submission of Reports	10	

4.3.2 **Financial Accomplishments (25 pts).** This includes the ratings on financial accomplishments as indicated in the year-end Budget Utilization Report and financial-related compliances. Details are as follows:

Parameters	Point Allocation	OPR
Budget Utilization Rate	25	OASFM

4.3.3 **Quality Performance (20 pts).** This is based on the major requirements of the ISO 9001:2015 Standards. Details are as shown below:

Parameters	Point Allocation	OPR
Establishment and Monitoring of Office Quality Objectives	7	IAS
Implementation of Customer Feedback Mechanism/s and Analysis of the Results	6	
Conformance of the QMS processes to ISO 9001:2015 standard and other relevant requirements	7	

4.3.4 **HR Requirements (10 pts).** This includes submission under the PRIME-HRM and CSC mandatory requirements. Details are shown below:

Parameters	Point Allocation	OPR
Submission of Learning Needs Assessment (LNA) and Individual Learning and Development Plan (ILDLP)	4	OASHR
Participation in approved Learning and Development Intervention	3	
Timely submission of IPCRs	3	

**4.3.5 Project Procurement Planning (15 pts).** This includes the timely and completeness of submission of the Project Procurement Management Plan (PPMP) as basis of the Annual Procurement Plan (APP). The details are as follows:

Parameters	Point Allocation	OPR
Completeness	10	AS
Timeliness	5	

4.4 Only officials and employees belonging to eligible delivery units are qualified for the PBB. There shall no longer be a ranking of individual officials and employees within a delivery unit.

## **5. Eligibility of DND Proper Individual Officials/Employees**

5.1 Those who are eligible for PBB:

- 5.1.1 Third Level Officials who receive a rating of at least "Satisfactory" under the Career Executive Service Performance Evaluation System (CESPES). CESPES covers all incumbents of CES Positions for an interrupted period of at least three (3) months.
- 5.1.2 First and Second Level employees who receive a rating in their IPCR of at least "Satisfactory" for the 1<sup>st</sup> and 2<sup>nd</sup> Semesters FY 2018 under the Integrated Personnel Performance Management System (IPPMS).
- 5.1.3 Other officials performing managerial and executive functions who are not presidential appointees but rated under the DND IPPMS and received a rating in their IPCR of at least "Satisfactory" for the 1<sup>st</sup> and 2<sup>nd</sup> Semesters FY 2018.
- 5.1.4 Officials and employees on detail to another agency for six (6) months or more; however, they shall be included in the ranking of delivery unit in the recipient agency that rated their performance. Payment of the PBB shall come from the parent agency.
- 5.1.5 Officials and employees who transferred from one (1) government agency to another; however, they shall be rated and ranked by the agency where they served the longest. If equal months were served, they will be included in the recipient agency.
- 5.1.6 Officials and employees who have rendered a minimum of nine (9) months of service in FY 2018 and with at least "Satisfactory" rating in their IPCR for at least two (2) rating periods.

5.1.7 Officials and employees who have rendered less than nine (9) months but a minimum of three (3) months of service in FY 2018 and with at least "Satisfactory" rating in their IPCR for at least one (1) or two (2) rating periods; however, grant of PBB is on pro-rate basis corresponding to their actual length of service rendered; provided they met the following valid reasons to be considered for a pro-rated PBB: newly hired, retirement, resignation, rehabilitation leave, maternity/paternity leave, vacation/sick leave with or without pay, scholarship/study leave and sabbatical leave.

5.1.8 Officials and employees found guilty of administrative case/s in FY 2018 and the penalty meted out is only reprimand without suspension.

**5.2 Those who are not eligible for PBB:**

5.2.1 First and Second Level employees who are on vacation leave with or without pay for nine (9) months and above in FY 2018.

5.2.2 Officials and employees found guilty of administrative and/or criminal cases in FY 2018 by formal and executory judgement.

5.2.3 Officials and employees who failed to submit the FY 2018 SALN as prescribed in CSC Memorandum Circular No. 3, s.2015.

5.2.4 Officials and employees who failed to submit their complete 2018 IPCR Forms for two (2) consecutive periods.

5.2.5 Officials and employees who failed to liquidate within the reglementary period the individual cash advances received in FY 2018 as required by COA. Counting of the days (calendar) for liquidation of cash advances for travels shall start from the day of return to station to the day the liquidation was recognized in the Journal Entry Voucher (JEV) by the Accounting Division, OASFM.

For Special Disbursing Officers (SDO) with cash advances for special projects and regular MOOE received in FY 2018, liquidations should be completed on or before 20 January 2019. The Chiefs of Offices responsible for the delay in the liquidation shall be held equally pecuniary liable with the SDO.

5.2.6 Officials and employees who fail to comply in the implementation of prior years' audit recommendations, QMS certification, or posting and dissemination of the DND's system of ranking performance of delivery units.

## 6. Rates of the FY 2018 PBB

The rates for the FY 2018 PBB of individual officials and employees shall depend on the ranking of the delivery units where they belong and shall be based on the monthly basic salary as of 31 December 2018 of the individual officials and employees, but not lower than Php5,000.00:

Ranking of Delivery Units			PBB Rate (% of Monthly Basic Salary)
Category	Percentage Distribution	Number of Delivery Units	
Best	10%	1	65%
Better	25%	3	57.5%
Good	65%	7	50%

❖ *The assumption is all the 11 delivery units are eligible to the FY 2018 PBB*

## 7. Implementing Instructions

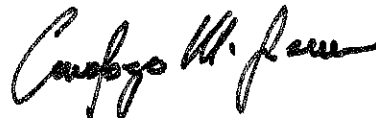
7.1 The DND Proper Performance Management Team (PMT) shall implement these guidelines; and if necessary, issue additional directives or memoranda to supplement these guidelines.

7.2 The OASPP, OASFM, OASHR, IAS and AS in their capacity as Office of Primary Responsibility (OPR) for specific parameters in ranking DND-OSEC delivery units shall develop a detailed point system for each parameter based on the point allocation.

7.3 Copies of these guidelines shall be disseminated to all officials and employees of the DND Proper and shall be posted in the Transparency Seal of the DND.

8. **Effectivity:** These Guidelines shall take effect immediately.

BY AUTHORITY OF THE  
SECRETARY OF NATIONAL DEFENSE:



**CARDOZO M. LUNA**

Undersecretary of National Defense/  
Chairperson, DND-Wide PMT



GML-7059