

PMT INTERNAL GUIDELINES
(for CY 2015)

1. BACKGROUND

- 1.1 The Strategic Performance Management System (SPMS) of the FWD, pursuant to CSC MC No. 6 s. 2012, had adopted the guidelines in the planning and evaluation of employee performance.
- 1.2 As indicated under Item 3.b) of the said guidelines, a Performance Management Team (PMT) was constituted through Office Memorandum No. 64-2012 dated November 20, 2012, with the following functions and responsibilities:
 - 1.2.1 Set consultation meeting of all head of offices/divisions/units for the purpose of discussing the targets set in the OPCR form;
 - 1.2.2 Ensure that office performance targets and measures, as well as the budget are aligned with those of the agency and that work distribution of offices/unit is rationalized;
 - 1.2.3 Recommend approval of the Office Performance Commitment and Rating (OPCR) to the General Manager;
 - 1.2.4 Act as appeals body and final arbiter for performance management issues of the agency;
 - 1.2.5 Identify potential top performers and provide inputs to the PRAISE committee for grant of awards and incentives;
 - 1.2.6 Adopt its own internal rules, procedures and strategies in carrying out the above responsibilities including schedule of meetings and deliberations, and delegation of authority to representatives in case of absence of its members.

2. INTERNAL GUIDELINES

2.1 MEETINGS AND QUORUM

- 2.1.1 The PMT shall hold regular meeting every 1st Monday of December of each year after approval of the Corporate Budget for the following year, to set a consultation meeting with head of divisions/units to discuss and set the targets in the OPCR Form.
- 2.1.2 Each division shall submit its respective Individual Performance Commitment and Review (IPCR) Form, on the 2nd Friday of December of each year, to the PMT, who shall ensure that individual performance commitments are aligned with the FWD's office performance commitment, budget and that work distribution of divisions/units is rationalized.
- 2.1.3 The PMT shall set a meeting on the 3rd Thursday of December of each year with the General Manager to conduct review and recommendation for approval of the OPCR.
- 2.1.3 Approved OPCR and IPCR shall be disseminated to the head divisions/units for their guidance, monitoring and implementation.
- 2.1.4 Each division/unit shall conduct performance evaluation at the end of each semester. Submission to the PMT shall be on the 2nd Monday of July for the first semester and 2nd Monday of January for the second semester.
- 2.1.5 The PMT shall consolidate, review, evaluate and validate the initial performance assessment of each Division based on accomplishments against the success indicators. The PMT shall calibrate the result and recommend to the General Manager, who shall determine the final rating of divisions. The Division Manager shall ensure that the employee is notified of his/her final performance assessment and the Summary of List of Individual Ratings with the attached IPCRs are submitted to the HRM Office/Personnel office within the prescribed period.

- 2.1.6 An annual Performance Review Conference shall be conducted by the General Manager and the PMT every 3rd Thursday of January for the purpose of discussing the Office assessment with concerned Head of Divisions. Any issue/appeal/protest on the Office assessment shall be articulated by the concerned head of division and decided by the General Manager during this conference, hence the final rating shall no longer be appealable/contestable after the conference. (CSC MC 6 S. 2012) Result of assessment shall be submitted to the General Manager every 4th Friday of January and to the CSC not later than the 1st Monday of February every year.
- 2.1.7 Based on the annual Performance Review, the PMT shall identify potential top performers and provide inputs to the PRAISE committee for grant of awards and incentives.
- 2.1.8 All meetings of the PMT shall be presided over by the Chairperson, or in his/her absence, the HR Officer.
- 2.1.9 In every meeting, the presence of majority of committee members shall constitute a quorum.
- 2.1.10 The majority vote of all members of the PMT shall be required in order to resolve issues, provided that a quorum exists.

3. RATIONALE

- 3.1 Pursuant to EO 80, a Performance-Based Incentive (PBI) system shall be adopted and granted, which consists of the following:
 - a. Performance Enhancement Incentive (PEI) in the amount of P 5,000.00 shall continually be granted across-the-board in accordance with the guidelines to be issued by DBM.
 - b. Performance-Based Bonus (PBB), which is a top-up bonus, shall be given to officers and employees in accordance with their contribution to the accomplishment of the department's overall targets and commitments, pursuant to the guidelines as enumerated under DBM/LWUA Memorandum Circular No. 2014-02 dated August 29, 2014.
- 3.2 The grant of PBB seeks to:
 - a. Recognize and reward exemplary performance in the public sector to enhance service delivery;
 - b. Rationalize the distribution of incentives across performance categories of groups and individuals thereby moving away from across-the-board incentives over time;
 - c. Nurture team spirit towards the effective execution of operational plans by linking personnel incentives to the delivery units' performance; and
 - d. Strengthen performance and appraisal systems based on existing systems like the Organizational Performance Indicator Framework (OPIF), the Strategic Performance Management System (SPMS) of the Civil Service Commission and the Results Based Performance Management System (RBPMS) provided under Administrative Order 25 of 2011

4. COVERAGE

- 4.1 All officers and employees of the FWD who occupy regular, casual or contractual positions shall be entitled to PBB, provided they have rendered at least nine (9) months of service on the year of the grant of PBB.
- 4.2 Excluded from the grant of the PEI and PBB are those hired without employer-employee relationships and paid from non-Personal Services budgets as follows:
 - a. Consultants and experts hired to perform specific activities or services with expected outputs;

- b. Laborers hired through job contracts (*pakyaw*) and those paid on piecework basis;
- c. Student laborers and apprentices;
- d. Individuals and groups of people whose services are engaged through job orders, contracts of service or others similarly situated; and
- e. Personnel found of administrative and/or criminal cases related to their work.

5. DEFINITION OF TERMS

- 5.1 **Major Final Output (MFO)** – the good or service that a water district is mandated to provide 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 organizational/sector outcome and capable of being summarized by a common performance indicator.
- 5.2 **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.
- 5.3 **Performance Target (PT)** – a predetermined numerical target level of performance (quantity, quality, timeliness and cost of an output) against which actual performance can be compared.
- 5.4 **Delivery units** – Departments and Divisions of the FWD responsible for the achievement of the FWD's MFO and committed to performance targets which are tracked by a reporting system within the year and verified by LWUA.
- 5.5 **Potability** – the quality of water that renders it safe and fit for human consumption. FWD performance with respect to this indicator shall mean compliance to the Philippine National Standards for Drinking Water (PNSDW) and all issuances and guidelines by the Department of Health (DOH) and the Local Water Utilities Administration (LWUA)
- 5.6 **Adequacy and Reliability of Service** – performance of FWD rated in accordance with 24/7 availability of supply, capacity to meet the present and future water demand
- 5.7 **Access and Coverage** – performance of FWD in pursuing the goal of providing access and water service to the greater percentage of the population within its respective areas.
- 5.8 **Affordability** – performance of FWD rated in accordance with its ability to ensure that its rates are kept affordable for the low income groups (LIG). It has been ascertained that a water consumption of 10 cubic meters per month will provide for the basic requirements of those in the LIG based on NSO and LGU data.
- 5.9 **Low Income Group (LIG)** – the sector of residential consumers having the lowest capability to pay for water service. For this purpose, the minimum charge for ½” residential connection should not exceed 5% of the average income of the LIG in the service area. This is a measure of the reasonableness of rates and has been regarded as the maximum amount that this income group can pay for their monthly water bill.

6. ELIGIBILITY OF FWD TO PBB AND FY 2014 PERFORMANCE TARGETS

- 6.1. To qualify for PBB, the following criteria must be complied with:
 - a. Achieve at least 90% of each one of their performance targets for the delivery of MFOs, Support to Operations (STO) and General Administration and Support Services (GASS) for the year;
 - b. Satisfy 100% of the good governance conditions set by the AO 25 Inter-agency Task Force (IATF) for CY 2014;
 - c. Payment of applicable taxes;
 - d. Rank performance of delivery units and the personnel with these units
- 6.2. The inability to meet any of the criteria above will render FWD ineligible for the PBB. Inconsistency and inaccuracy of the compliance reports/certifications made by the FWD may also be considered a ground for disqualification to the PBB, upon proper determination and due process.

6.3. FWD shall be evaluated based on the accomplishment of its committed targets which shall be set considering its existing performance indicators. LWUA shall evaluate the reasonableness of the FWD's targets based on its available resources (manpower, financial and facilities) and capability to provide necessary resources.

6.4. The performance targets for CY 2014 should indicate an improving trend over the CY 2013 accomplishments using the required Forms.

7. ELIGIBILITY AND RANKING OF DELIVERY UNITS

7.1. Delivery Units of the FWD shall be grouped, as follows:

A. Water Facility/Distribution Service Management

- 1) Commercial Services Division
- 2) Construction & Maintenance Division
- 3) Water Resources Division

B. Support to Operations and General Administration & Support Services

- 1) Administrative Services Division
- 2) Finance Services Division

7.2. A Delivery Unit must have achieved at least 90% of each of the approved performance targets for the delivery of Major Final Outputs (MFOs) and the targets for Support to Operations (STO) and General Administrative and Support Services (GASS) specified in Form A.

7.3. The Delivery Unit must have satisfied 100% of the good governance conditions:

- a. All employees under a Delivery Unit with Cash Advance must have been settled fully within the prescribed period; and
- b. All employees under a Delivery Unit must have complied with the submission of SALN per RA 6713

7.4. Delivery Units in each work group shall be forced rank as follows:

A. Water Facility/Distribution Service Management

RANKING	PERFORMANCE OF CATEGORY OF DELIVERY UNIT
Top 10%	BEST Delivery Unit
Next 25%	BETTER Delivery Unit
Next 65%	GOOD Delivery Unit
Excluded (0%)	POOR Delivery Unit

B. Support to Operations and General Administration & support Services

RANKING	PERFORMANCE OF CATEGORY OF DELIVERY UNIT
Top 10%	BEST Delivery Unit
Next 25%	BETTER Delivery Unit
Next 65%	GOOD Delivery Unit
Excluded (0%)	POOR Delivery Unit

7.5. The rating of the Delivery Units based on the actual accomplishment in the Performance Targets, based on the Performance Indicators and other accomplishments and contribution to the objectives and goals of the FWD, shall be the basis of ranking.

- 7.6. Delivery Units that did not achieve at least 90% of their target in any one of the performance indicators shall no longer be included in the forced ranking and shall not be eligible to receive PBB.

8. ELIGIBILITY AND RANKING OF EMPLOYEES

- 8.1. To qualify for PBB, an official or employee must have rendered at least nine (9) months of service on the year of the grant of PBB.

An employee who rendered a minimum of three (3) months but less than nine (9) months of service shall be eligible for the grant of PBB on a pro-rata basis based on the following table:

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%

- 8.2. He/she should have obtained a rating of at least “Satisfactory” in the rating periods covering the year of the grant of PBB. Individuals who receive a “Below Satisfactory” rating under the CSC-approved SPMS shall not be eligible to the PBB.
- 8.3. He/she must have achieved at least 90% of his/her target for the year.
- 8.4. He/she must have no outstanding cash advance/s as of November 30 of the current year.
- 8.5. He/she must have complied with the submission of SALN per RA 6713, on the current year.

9. PERFORMANCE RATING AND INDIVIDUAL PERFORMANCE

- 9.1. Performance evaluation shall be done semi-annually.
- 9.2. Ranking of employees shall be based on the average rating up to 4 decimal places obtained by the employee.
- 9.3. Officials and employees who shall be on official travel, approved leave of absence or training or scholarship programs and who have already met the required minimum rating period of 90 days shall submit the performance commitment and rating report before they leave the office. (CSC MC 6 S. 2012)

For purposes of performance based benefits, employees who are on official travel, scholarship or training within a rating period shall use their performance ratings obtained in the immediately preceding rating period. (CSC MC 6 S. 2012) Performance of employees with less than 3 months for a rating period shall be rated accordingly, based on the actual number of months/days rendered, but shall not qualify to PBB for the given year.

- 9.4. Employees who obtained Unsatisfactory rating for one rating period or exhibited poor performance shall be notified and provided appropriate developmental intervention by the General Manager and supervisor (Division/Unit Head), in coordination with the HRM Office/Personnel Office, to address competency-related performance gaps. (CSC MC 6 S. 2012)

If after advice and provision of developmental intervention, the employee still obtains Unsatisfactory or Poor rating/s in the immediately succeeding rating period, he/she may be dropped from the rolls. A written notice/advice from the head of office at least 3 months before the end of the rating period is required. (CSC MC 6 S. 2012)

- 9.5. The PMT shall validate the Outstanding performance ratings and may recommend concerned employees for performance-based awards. Grant of performance-based incentives shall be based on the final ratings of employees as approved by the Head of Office. (CSC MC 6 S. 2012)
- 9.6. Performance ratings shall be used as basis for promotion, training and scholarship grants and other personnel actions. (CSC MC 6 S. 2012)

Employees with Outstanding and Very Satisfactory performance ratings shall be considered for the above mentioned personnel actions and other related matters. (CSC MC 6 S. 2012)

- 9.7. Performance rating shall be based solely on records of accomplishment; hence, there is no need for self rating. 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 said bases or proofs, a particular task shall not be rated and shall be disregarded.
- 9.8. The General Manager may adopt appropriate mechanism to assist him distinguish performance level of individuals, such as but not limited to peer ranking and client feedback.
- 9.9. The **average** of all individual performance assessments shall **not** go higher than the collective performance assessment of the Office.
- 9.10. Each employee is rated on the basis of the levels of performance set below:

a. For Quantity:

- 5 - if performance/accomplishment met 100% of target
- 4 - if performance/accomplishment met 91% to 99% of target
- 3 - if performance/accomplishment met 75% to 90% of target
- 2 - if performance/accomplishment met 51% to 74% of target
- 1 - if performance/accomplishment met 0% to 50% of target

b. For Efficiency and Timeliness:

- 5 - if performance/accomplishment exceeded target
- 3 - if performance/accomplishment met target
- 1 - if performance/accomplishment failed to meet target

- 9.11. For accomplishment pertaining to money or accuracy, a rating of 5 shall be given for those who met targets or 1 for those who failed or fell short of the target applies.

For purposes of rating, the quantity, efficiency and timeliness of employees on training or scholarship grant, Maternity Leave (ML), Paternity Leave (PL), Sick Leave (SL) for five (5) days or more supported with a medical certificate, and/or has availed of Compensatory Time Off (CTO), shall not be taken against the employee. However, total number of target shall still be indicated, with remarks as to the reason of exemption, as earlier mentioned.

- 9.12. In determining the levels of performance of each employee for attendance and punctuality, the following shall be observed:

Rating	No. of Absences incurred	No. of Undertime incurred	No. of Tardiness incurred
5	0	0	0
4	1 - 5	1 - 10	1 - 10
3	6	11 - 20	11 - 20
2	7 - 10	21 - 30	21 - 30
1	more than 10	more than 30	more than 30

Days off/absent, when CTO is availed, shall not be counted as absences for purposes of rating.

9.13. In determining the final equivalent adjectival rating of the employee, the range of overall point scores is converted as follows:

- 5 - Outstanding (O)
- 4 - Very Satisfactory (VS)
- 3 - Satisfactory (S)
- 2 - Unsatisfactory (US)
- 1 - Poor (P)

10. SANCTIONS

10.1. Non-submission of the OPCR Form to the PMT and the IPCR to the HRM Office/Personnel Office within the specified dates shall be a ground for:

- a. Employees' disqualification for performance-based personnel actions which would require the rating for the given period such as promotion, training or scholarship grants and performance enhancement bonus, if the failure of the submission of the report form is the fault of the employees.
- b. An administrative sanction for violation of reasonable office rules and regulations and simple neglect of duty for the supervisors or employees responsible for the delay or non-submission of the OPCR and IPCR.

11. APPEALS

11.1. Individual employees who feel aggrieved or dissatisfied with their final performance ratings can file an appeal with the PMT within 10 days from the date of receipt of notice of their final performance evaluation rating from the General Manager.

11.2. The PMT shall decide on the appeals within 1 month from receipt.

11.3. An office/unit or individual employee however, shall not be allowed to protest the performance ratings of other office/unit or co-employees. Ratings obtained by other office/unit or employees can only be used as basis or reference for comparison in appealing one's head of office/division/unit or individual performance rating.

11.4. 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 15 days from receipt of the order or notice of separation.

11.5. Any issue/appeal on the initial performance assessment of an Office shall be discussed and decided during the performance review conference. Office performance assessment as discussed in the performance review conference shall be final and not appealable.