



29 MAR 2017

Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila

097.13 DPWH
03-20-2017

DEPARTMENT ORDER)
NO. **44**)
Series of 2017 ^{03.20.17})

SUBJECT: Mechanics of Ranking Offices and Personnel as Basis for the Grant of Performance - Based Bonus (PBB) for FY 2016

In connection with the implementation of a performance-based incentive system in this Department pursuant to EO No. 80 dated July 20, 2012 and EO 201 dated February 19, 2016 and as provided under MC No. 2016-01 dated May 12, 2016 issued by the Inter-Agency Task Force (IATF) on Administrative Order (A.O.) No. 25, the following mechanics of ranking offices and personnel as basis for the grant of **Performance-Based Bonus (PBB)** for **FY 2016** are hereby prescribed:

EVALUATION OF OFFICES

Implementing Offices

The implementing offices (Regional Offices, District Engineering Offices and Unified Project Management Office Clusters) shall be ranked based on their respective performance and accomplishments (of set targets) for CY 2016 using the following criteria: *a) Construction Accomplishment; b) Design Audit and Assessment Performance; c) Quality Control Performance in Project Implementation; d) Maintenance Implementation and Practices; e) Absorptive Capacity; and f) Procurement.* "Supervision of DEOs" is another additional criterion in evaluating the performance of each Regional Office. Except "Maintenance Implementation and Practices" and "Procurement", the same criteria shall also be applied in evaluating the performance of each Unified Project Management Office (UPMO) Cluster.

Criteria (Implementing Offices)	Distribution Percentage (%) Weight		
	ROs	DEOs	UPMO Clusters
Construction Accomplishment	20	20	40
Design Audit and Assessment Performance	20	20	n/a
Quality Control Performance in Project Implementation	20	20	40
Maintenance Implementation and Practices	10	20	n/a
Absorptive Capacity	10	10	20
Procurement	10	10	n/a
Supervision of DEOs	10	n/a	n/a
TOTAL	100%	100%	100%

OSEC Proper, Bureaus and Services

On the other hand, the performance of the offices in the Central Office (OSEC Proper, Bureaus and Services) shall be evaluated based on the targets each office has accomplished in accordance with their respective approved Annual Goals and Operations Plans for FY 2016, and confirmed by the Management Committee (ManCom).

Criteria (OSEC Proper, Bureaus & Services)

Areas of Evaluation	Distribution Percentage (%) Weight
Operational Plan Accomplishment	20%
PGS Balanced Scorecard Accomplishment	40%
Regular functions' Accomplishment	40%
Total	100%

Distribution of Performance of Offices/Delivery Units

Rating/Category	Distribution
Best	15%
Better	30%
Good	55%

EVALUATION OF PERSONNEL

The personnel shall be ranked based on their individual performance targets which must be aligned with the office performance targets, they have committed and accomplished for the last two (2) rating periods using the Department's existing and established Performance Evaluation Systems (PES) categorized as follows:

- Individual Performance Commitment and Review (IPCR) for January to June 2016 and July to December 2016 for 1st and 2nd level positions
- Performance Appraisal System for District Engineers (PADE) for District Engineers
- Career Executive Service Performance Evaluation System (CESPES) for 3rd level positions

The personnel's performance outputs shall be evaluated based on their performance ratings for the last two (2) semesters as reflected in their respective *IPCRs* (January to June 2016 and July to December 2016), and *PADE* and *CESPES*, both for FY 2016. Employees in the offices that ranked Good, Better and Best shall be entitled to PBB in varying rates provided they got a performance rating of at least **Satisfactory**, and have rendered at least **nine (9) months** of service as of **December 31, 2016**.

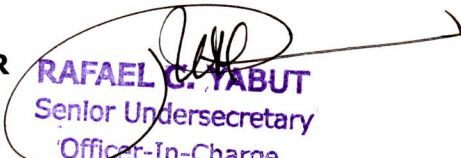
RATES OF THE FY 2016 PBB

The PBB rates of individual employees shall depend on the performance ranking of the offices where they belong, based on the individual's monthly basic salary as of December 31, 2016, as follows, but not lower than Php5,000:

Performance Category	% of Monthly Basic Salary
Best Office (10%)	65%
Better Office (25%)	57.5%
Good Office (65%)	50%

This Order supersedes Department Order No. 78, series of 2016 and shall take effect immediately.

MARK A. VILLAR
Secretary


RAFAEL C. YABUT
Senior Undersecretary
Officer-In-Charge

17.1 EPP/UARM

Department of Public Works and Highways
Office of the Secretary



ANNEX

Definition of Terms

Construction Accomplishment measures the performance of the Regional Offices / District Engineering Offices / Unified Project Management Offices based on their actual physical accomplishment in the implementation of DPWH Infrastructure projects generated from the Project Monitoring System (PMS).

The ratings are computed based on the total releases (carry over and current year projects), 20% of which represent their accomplishment under the pre-construction stage and 80% under the construction stage using the following formula:

$$\% \text{ Total Carry Over Releases (x)} = \frac{\text{Total Carry Over Releases}}{\text{Total Carry Over Releases} + \text{Total Current Year Releases}}$$

$$\% \text{ Total Current Year Releases (y)} = \frac{\text{Total Current Year Releases}}{\text{Total Carry Over Releases} + \text{Total Current Year Releases}}$$

- a = Pre-construction Accomplishment (Carry Over) Rating = (ax+by)0.2 + (cx+dy)0.8
 b = Pre-construction Accomplishment (Current Year)
 c = Construction Accomplishment (Carry Over)
 d = Construction Accomplishment (Current Year)

Design Audit and Assessment Performance covers the evaluation/assessment of detailed architectural and engineering design and processes undertaken by the Regional and District Engineering Offices as to compliance with the latest edition of DPWH Design guidelines, Criteria and Standards (DGCS) and other existing applicable laws, codes and Department Orders/Issuances relative to design.

The ratings are computed based on the following formula:

Areas of Evaluation		Percentage Weight		Rating %	
		Project	Office	Project	Office
I.	Adequacy of Field Investigation (30%)				
	1. Survey Data (Topographic/Hydrographic/Drainage)	15%			
	2. Geological/Geotechnical Data	15%			
II.	Efficiency of Design Management (30%)				
	1. Completeness of Design Analysis	15%			
	2. Availability of Design Tools		5%		
	3. Competency of Design Engineers/Architects		5%		
	4. Proper Document Management System		5%		
III.	Quality of Plans (40%)				
	1. Compliance to D.O. 56, s. 1995	10%			
	2. Completeness of Drawings/Details	30%			
TOTAL		85%	15%	0.00%	0.00%
Total Percentage Equivalent		100%		100%	

Quality Control Performance in Project Implementation is an appraisal of the quality control and construction procedures in the implementation of DPWH projects including maintenance undertakings. It takes into account the capability of the organizational unit to implement, resource-wise, the DPWH quality assurance program.

The ratings are computed based on the following formula:

Responsibility Area		Weight
a. Effectiveness of Quality Control Implementation		75%
a.1 Timeliness of testing materials relative to its use in the project	10%	
a.2 Ability to implement quality control policies	15%	
a.3 Quality of completed works	50%	
b. Project Supervision		15%
b.1 Personal Adequacy	7.5%	
b.2 Personal Competence	7.5%	
c. Adequacy/Reliability of Laboratory Equipment and Facilities		10%
TOTAL		100%

Maintenance is the capability of the field offices (Region and District Engineering Offices) to provide the requisite maintenance action/s on defects and deficiencies on our road network and other government infrastructures in a timely and efficient manner employing the highest quality of completed maintenance works in accordance with existing Departmental policies and standards.

The criteria for the computation of the performance rating on maintenance of Regional and District Engineering Offices are as follows:

1) Road Condition and Evaluation Division (RCMED)

The basis of the assigned percentage is the semestral inspection of all national roads and bridges of the District Engineering Offices to measure compliance to Department Order No. 13, s. 2011. The degree/level of maintenance is reflected on the total quality of the defects noted during actual field inspection, the response provided by the DEOs to correct/repair the noted defects within the prescribed response times and the acceptability of their submitted justification as to circumstances like in unwarranted delay in completing the rectification works are considered in computing the performance rating. Meanwhile, the Regional Offices are rated based on the performance of the DEOs in their respective jurisdiction;

2) Policies and Standards Division (PSD)

The assigned percentage is based on two factors: (1) the timeliness or the prompt submittal of all required documents needed by the Bureau for the PSD to prepare draft policies and guidelines; and (2) the quality and completeness of the requisite submittal. Specific to these requirements, among others, is the adherence by the DEOs on their Annual Maintenance Work Program as to utilization of maintenance funds for labor, equipment and materials;

3) *Safety and Disaster Management Coordination Division (SDMCD)*

The assigned percentage is based on the average score of participants during the Training/Workshops conducted by the BOM, since these training/workshops are interactive. Adherence/compliance to the provisions of Department Order No.15, s. 2015 are likewise considered in the computation of percentage points.

4) *National Buildings Service Division (NBSD)*

The assigned percentage is based on the prompt submittal of requisite documents and the quality of the submitted reports. Specific to these requirements are the timeliness and quality of submittal of the DEOs Monthly Accomplishment Reports on completed maintenance activities for the repair of Other Public Buildings (OPB), and Flood Control and Drainage Structures, and the complete and verified inventory of these structures.

Absorptive Capacity is the ability of an agency to maximize the use of available financial resources. This can be computed as obligation over allotment.

$$\% = \frac{\text{Obligation}}{\text{Allotment}}$$

Procurement refers to the acquisition of Goods, Consulting Services, and the contracting for Infrastructure Projects by the Procuring Entity.

Procurement shall also include the lease of goods and real estate. With respect to real property, its procurement shall be governed by the provisions of Republic Act No. 8974, entitled "An Act to Facilitate the Acquisition of Right-of-Way Site or Location for National Government Infrastructure Projects and for Other Purposes", and other applicable laws, rules and regulations.

The ratings are computed on the following formula:

Criteria	Value (Maximum)
A.Compliance in Civil Works Registry Report of awarded contracts posted/updated in the CWR against total number of contracts processed No. of Contracts Awarded / Completed = 2.5% x 5% No. of Contracts Bid out	5%
B. Compliance to on –time submission of Certificate of Compliance to PhilGeps posting On-time Submission = 2.5% Non-submission or Late Submission = 0	2.5%
C. Compliance to submission of Agency Procurement Compliance and Performance Indicators (APCPI) On-time Submission = 2.5% Non-submission or Late Submission = 0	2.5%
OVERALL COMPLIANCE Sum of A, B & C	10%

Operational Plan Accomplishment is the successful completion of the day-to-day tasks required to achieve the organizational unit's strategic goals based on the approved operational plan.

The rating is computed based on the following formula:

$$\% \text{ Operational Plan Accomplishment} = \frac{\text{No. of Initiatives Completed}}{\text{No. of Proposed Initiatives}} \times 100$$

PGS Balanced Scorecard Accomplishment is the successful implementation of the organization's strategy translated into concrete and quantifiable outcomes by measuring whether the operational activities of an organizational unit is aligned with its larger-scale and long term objectives and strategies relating to social impact, external stakeholders, processor, people and resource stewardship.

The ratings are computed based on the following formula:

$$\% \text{ per measure} = \frac{\text{Actual 2016 Accomplishment}}{\text{Target 2016 Accomplishment}}$$

Then, take the AVERAGE PERCENTAGE of all PGS Measures