



DEC 13 2022

Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Bonifacio Drive, Port Area, Manila

097.13 DPWH

12.19.2022

DEPARTMENT ORDER)

**SUBJECT: Strategic and Operations Planning
Policy**

NO. 262)

Series of 2022)
A 12/19/22

1. BACKGROUND

- 1.1. To further institutionalize long-term strategic planning, systematically implement the DPWH strategic programs, policies and projects consistent with its mandate, and in line with the Whole-of-Government approach to achieve organizational goals, the following guidelines and procedures on strategic and operations planning are hereby prescribed.
- 1.2. In pursuit of emerging priorities, the Department shall formulate plans (i.e., strategic and operations) and performance commitments/targets that focuses on data-driven metrics especially on the delivery of agency initiatives and optimum utilization of resources. Further, this policy shall facilitate a more transparent and objective assessment of organizational performance while harmonizing the Department's encompassing systems (i.e., Performance Governance System, Quality Management System and Strategic Performance Management System).

2. DEFINITION OF TERMS

- 2.1. **Balanced Scorecard** – a performance measurement framework that includes non-financial performance measures to complement traditional financial metrics and provides executives a more balanced view of organizational performance. Originally developed Dr. Robert Kaplan and Dr. David Norton, it connects strategy formulation with strategy execution with a view towards achieving breakthrough results.
- 2.2. **Initiative** – a strategic program or project, outside the organization's day-to-day operations activities, which is designed to help the organization achieve its targeted performance in one or more strategic performance measures of the agency or an office.
- 2.3. **Initiative Profile** – a form that provides information such as project milestones, deliverables/outputs, timeline, status and responsible units of a PGS Initiative (refer to Annex A).
- 2.4. **Measure** – a key strategic performance indicator used to evaluate how effectively the agency is achieving its strategic objective. Specific and quantitative metrics that define the necessary actions that will be indicative if the strategic objectives are likely to be achieved based on outputs (Lead) or gain insight on outcomes (Lag). In the context of DPWH, measures are either classified as project-based or

performance-based. The measure quantifiers/qualifiers shall determine the unit measurement of the targets and accomplishments.

- 2.5. **Measure Profile** – a form that specifies the operations mechanisms and details of a PGS Measure (i.e., target setting, monitoring parameters, and reporting controls) (refer to Annex B).
- 2.6. **Measure Team** – an office or a cross-functional group composed of personnel across the organization with complementary functional expertise or multidisciplinary skills, responsible for managing a PGS Measure.
- 2.7. **Milestone Year** – the most appropriate year to conduct the institutional assessment and strategy refresh (i.e., the start of a new strategy, end of a Vision year or as deemed necessary by the PGS Committee).
- 2.8. **Operations Planning** – the process of linking the agency’s long-term strategic plans into the operations of offices and personnel during a given period (i.e., semi-annual or annual).
- 2.9. **Operations Plan (OpsPlan)** – resulting output of the Operations Planning.
- 2.10. **Performance Governance System (PGS)** – a strategic planning and management tool, based on the Balanced Scorecard framework adapted to the Philippine governance setting.
- 2.11. **Scorecard** – a six-year period matrix showing the strategic performance measures of the agency, the measure’s baseline, targets and accomplishments, and the responsible units/teams for one or group of measures.
- 2.12. **Strategic Objective/s** – reflects the outcomes the DPWH is trying to achieve and are tied to performance goals and indicators. Measure Teams are identified for each strategic objective and key performance indicator; however, the Department recognizes that many strategies require coordination across offices.
- 2.13. **Strategic Outcome** – general and long-term goals for the major functions and operations of DPWH. They address the broad impacts desired by DPWH.
- 2.14. **Strategic Planning** – conducted during a strategy refresh and institutional assessment, it is an organizational management activity, used to assess and adjust the organization's direction, set priorities, optimize resources, strengthen operations, and align units and people toward achieving intended goals, outcomes and results.
- 2.15. **Strategic Plan (StratPlan)** – resulting output of the Strategic Planning.
- 2.16. **Strategy Map** – is a visual presentation that illustrates the process in achieving organizational goals through a series of cause-and-effect linkages among objectives. It also shows the agency’s charter statements (i.e., vision, mission, core values and quality policy).

3. STRATEGIC PLANNING PROCESS

- 3.1. During a milestone year, the DPWH Executive Committee shall conduct an Institutional Assessment thru a series of plenary meetings, the frequency of which depends as the need arises. Using quantitative (e.g. agency statistics, 3rd Party Evaluation Reports, etc.) and qualitative (e.g. surveys, researches, etc.) parameters, the Executive Committee shall review, reaffirm and/or clarify the agency's purpose (mission), its aspiration for future results (vision), and its principles that guide its actions (core values, quality policy and process model) consistent with its mandate. These charter statements will then guide the formulation and execution of the strategic and operations plans.
- 3.2. After the Department's Charter Statements have been agreed upon by the DPWH Executive Committee, the most current constitution of the PGS Committee, Technical Working Group (TWG) and Secretariat shall then spearhead the Strategy Refresh sessions involving key officials in identifying change agenda that will be the foundation of key result areas. The change agenda will then be the basis in the formulation of strategic objectives with respect to organizational outcomes, outputs, and core and support processes which will be translated into the PGS framework.
- 3.3. The Department shall adopt the PGS framework as its strategic planning and management tool to guide the participatory strategic planning process (refer to Annex C). The development, selection and vetting of strategic measures shall be policy-driven and aligned to the contributions and commitments of the Department in the Philippine Development Plan (PDP), the established Philippine long-term Vision (*AmBisyon Natin 2040*) and may extend further to the United Nations (UN) Sustainable Developmental Goals (SDGs).
- 3.4. Focusing on the needs and regulatory requirements of external clients and stakeholders (public & oversight agencies, among others), relevant planning and budgeting documents (e.g., Program Expenditure Classification (PREXC) indicators in the annual General Appropriations Act (GAA) and Performance-Based Bonus (PBB) targets, among others) shall be considered as primary sources of quantifiable metrics that can be used as baseline for measure identification and target setting. Further, this policy highly encourages the alignment of measures that are organically embedded in the standardized processes in the QMS.
- 3.5. Due to the long-term nature of Strategic Planning in the Department, the target setting activity shall be data-driven following the applicable provisions of the most current implementation of Data Governance Program. Thus, once commitments have been made, the Department shall not revise any measure and/or downgrade the targets unless a national policy will cause the targets to be inconsistent. The established targets shall also be used to evaluate if the implemented target setting activity was realistic and reliable once the strategy is implemented within the time period and will be incorporated in the next Strategy Refresh and Institutional Assessment.
- 3.6. Using the measure profiles, concerned bureaus, service and/or clusters shall be responsible in generating quantifiable data, statistics, methodology thru standardized processes as established in the QMS Process Model, and research studies, as applicable, to support the identification of strategic measures. Measure

Teams that will be created shall monitor the viability of the proposed measures in terms of implementation, relevance and funding prioritization.

- 3.7. Once measures are identified, the PGS Committee shall conduct the vetting of yearly targets. For targets that are management-imposed, the PGS chairperson shall set the specific target that shall be the 'standard-to-beat' once the strategy is implemented. For targets that will emanate from different offices and functional groups, the concerned Undersecretary shall determine and approve the vetted targets, keeping in mind the balance of data-driven and performance-optimization in setting the targets.
- 3.8. The Corporate Planning and Management Division (CPMD) shall initiate preparatory activities prior to the Strategy Refresh sessions and perform secretariat duties once the required outputs begin to be realized up until its approval. The CPMD, thru the approval of the PGS Chairperson, may call upon other personalities and representatives to ensure equal representation and participation within the Department.
- 3.9. The following outputs of these Strategic Planning sessions will form part of the Department's StratPlan:
- PGS Strategy Map
 - PGS Scorecard
 - Department Measure Profiles
 - Cascading Guidelines
- 3.10. After evaluation of the outputs, the PGS Committee shall recommend the Department's Strategic Plan to the Secretary for approval. The approved Department StratPlan, which may include the strategy branding, shall be adopted and enforced through an issuance of a Department Order. Ideally, the approved StratPlan shall be introduced and unveiled during the Anniversary Celebration of DPWH (i.e., 23rd of the month of June). An equivalent unveiling of the StratPlan shall also be conducted in the DPWH Regional Offices (ROs) thru a Roadshow.
- 3.11. Considering the stringent nature of the target setting activity that resulted to the approved StratPlan as stated in Section 3.5, unless a national policy is promulgated that may cause the approved StratPlan to be deemed inconsistent, a revised StratPlan shall be issued. The need for the revision shall be brought up by the concerned Process Owner or Concerned Official and shall propose the underlying revised measure profile/s and/or targets, as applicable. The said revision shall be approved by the PGS Committee and the Secretary thru an updated Department Order.
- 3.12. While CPMD shall spearhead the preparation, coordination and conduct of the StratPlan Roadshow for capacity-building, it is the responsibility of all employees and officials to be acquainted and informed on the Department's StratPlan. Heads of Offices shall engage their respective employees in understanding the StratPlan, the performance targets of their respective office, as well as the services and outputs that they will need to deliver to meet these targets.

- 3.13. Given the similar functional characteristics of the DPWH-ROs, the CPMD shall standardize the cascading of the PGS Scorecard to the SPMS Regional Office Performance and Commitment Review (OPCR) Form thru an issuance. Regional OPCR shall highlight the responsibility of the DPWH-ROs in terms of achieving desired future goals and conditions (Lag Measures). ROs shall then use the OPCR to ensure that their Divisions and District Engineering Offices (DEOs) comply on currently established quality standards that are necessary for the DPWH-ROs to achieve their desired future goals and conditions (Lead Measures).
- 3.14. To assist the DPWH-ROs, the Regional Director (RD) shall designate a permanent employee in the DPWH-RO as the PGS focal person. The designated PGS focal person may be tasked to provide secretariat support to the Regional Director (RD) with matters relating to this policy and to recommend actions to instill a culture of accountability and awareness in the DPWH-RO and its DEOs.

4. OPERATIONS PLANNING PROCESS

- 4.1. Between the last quarter of the previous year up to the first quarter of the current year, Bureaus, Services and Clusters shall conduct its Operations Planning which must be aligned with the approved StratPlan. The most current policies on Strategic Performance Management System (SPMS), as the basis for performance management, and the Quality Management System (QMS), as the basis for the standardized processes, shall be used to ensure consistency of the Department's StratPlan relative to the implementation of its mandated major processes (core and support) with the underlying controls and metrics for performance evaluation.
- 4.2. To determine opportunities for improvement, and address risks and opportunities that can affect the alignment of the strategic commitments and targets to the OpsPlan, offices shall utilize the most current policy on Risk and Opportunity Management. Focus shall be given on the conduct of process review and its underlying requirements.
- 4.3. Following the provisions of section 3.13, the DPWH-ROs shall conduct an equivalent Operations Planning together with their respective DEOs. The DPWH-RO shall take responsibility in cascading and standardizing the strategic objectives and measures from their OPCR Form to the SPMS District Performance and Commitment Review (DPCR) Form.
- 4.4. The following outputs of the Operations Planning will form part of the Office's OpsPlan:
- Standardized Processes (i.e., Process Flows relevant to the DPWH Process Model for Process Owners while Department Orders for Counterpart Offices)
 - Updated Organizational Chart
 - SPMS Workflow Matrix
 - SPMS Database Matrix
 - DPCR Forms
 - Risk and Opportunity Registers

4.5. The approval of the OpsPlan shall follow this hierarchy:

Level	Approving Authority
Bureau, Service, Cluster and Regional Office	Undersecretary
District Engineering Office	Regional Director

4.6. To operationalize the OpsPlan, performance targets and outputs shall be cascaded down to the Division and Individual Levels following the most current SPMS policies and procedures.

5. ANNUAL REVIEW AND REPORTING

5.1. The PGS Committee, TWG, Secretariat, and the CPMD shall consistently review these strategic and operations guidelines to ensure effective and efficient implementation.

5.2. Review meetings for the PGS Scorecard (i.e, measures and targets) shall be initiated by the CPMD and the concerned Measure Team. The results and resolutions of these review meetings shall be utilized as agenda topics following the most current policy on the conduct of MR.

5.3. The schedule of the PGS Scorecard Accomplishment submission as stipulated in the Department Order required in section 3.9 shall strictly be followed by the Measure Teams. Given the importance of timely reporting of results to ensure relevance, delay in the submission, without justification as approved by the concerned Undersecretary, shall mean that the measure did not account any accomplishment for the year.

5.4. The CPMD shall prepare the Annual PGS Year End Report that will contain the consolidated accomplishment of the StratPlan Scorecard. This shall be approved by the DPWH-PGS Chairperson and/or the DPWH Secretary. Once approved, the report shall be disseminated on or before the last working day of the first quarter, thru and accessible via the PGS quick link available on both the Intranet and Internet websites. This provision shall follow the most current policy on the Update, Maintenance, and Quality Assurance of the DPWH Website.

5.5. The CPMD shall also prepare the annual guidelines in the accomplishment of the Regional OPCR based from the approved Annual PGS Year End Report and be disseminated thru an issuance. Approval of the Regional OPCR shall follow the applicable provisions of the most current SPMS policies and procedures.

5.6. The QMS Office Core Team and the SPMS Office Performance Management Team (PMT) shall collaborate and meet at least quarterly, or as the need arises, to document and monitor the actions and accomplishments of the office's OpsPlan, following the most current policy relating to the implementation of the QMS and SPMS. Monitoring the status of office objectives and targets, the OpsPlan may be included as agenda in a localized MR.

5.7. Supplemental to the most current policy on the Creation of the DPWH-QMS Teams, it is the responsibility of the office QMS Core Team to ensure that the accomplishments of the Scorecard or its cascaded version (i.e., OPCR and/or DPCR) are accurate and reliable based on the calculations stipulated in the Measure Profiles, SPMS matrices and/or by the concerned Process Owner/Measure Team. Further, the head of the office shall be responsible in providing correlations for high accomplishments, and justifications, including catch-up plan, for low accomplishments. This evaluation shall be included in the annual Internal Quality Audit (IQA), among others, as required by the QMS.

6. COMMUNICATION

6.1. The approved StratPlan, including its strategy branding as indicated in section 3.10, shall be communicated to internal and external stakeholders for improved engagement and increased participation in the implementation of the strategy. The Stakeholders Relations Service (SRS) and the Information Management Service (IMS), in coordination with the CPMD, shall lead in the development/updating and implementation of a Communications Plan.

6.2. Corollary to the Roadshow provision of section 3.10, the CPMD shall prepare an annual budget intended for cascading and capacity-building of the approved StratPlan and its strategy branding. Further, offices (i.e., bureaus, services, clusters, ROs and DEOs) can request for localized capacity-building of the harmonization of the StratPlan and the OpsPlan to be conducted by the CPMD. The requesting office shall cover all logistical requirements and provisions for the said activity.

6.3. To further increase transparency and foster multi-stakeholder engagement, the DPWH Multi-Stakeholder Governance Council (MSGC) composed of representatives from the national government, academe, construction industry, consulting organizations, civil society groups, professional associations, and private sector, shall serve as the Department's advisory and support body in the planning, implementation and monitoring of the strategic policies, programs, and projects. Following the most current policy on the MSGC, the results and accomplishments of the approved StratPlan shall also be presented to the DPWH-MSGC thru regular meetings. Possible interventions and recommendations that will improve the governance practices of the DPWH-PGS, shall be addressed by the CPMD and all actions shall be approved by the PGS committee.

This Order supersedes Department Order No. 147, Series of 2018 and shall take effect immediately.

Department of Public Works and Highways
Office of the Secretary



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MANUEL M. BONOAN
Secretary

Encl: Annex A – Initiative Profile
Annex B – Measure Profile
Annex C – PGS Framework

1.3 JGT/CALjr/MCEC



DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
Performance Governance System

*Strategy
Branding/Logo*

Initiative Profile
<Name of Office>

DPWH-QMSP-06-04- Rev01

Strategy Alignment	
Objectives	
Measure/s:	

Strategic Initiatives		
Division/s Responsible	<Year> Deliverable/s	<Year> Accomplishment

Submitted by:

Approved by:

<Name and Signature>
Head of Office

<Name and Signature>
Concerned Undersecretary



DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
 Performance Governance System
Measure Profile



**MEASURE
CODE**

What is the measure?

What strategic objective is the measure aligned?

What is the rationale behind the measure?

How is the measure calculated? Clarify the terms in the formula

How often is the measure updated/calculated? Indicate policy/law that is applicable.

What is the unit?

What data is required in calculating the measure? Where/how will it be acquired? Indicate policy/law that is applicable.

What is the basis in setting the targets?

Who is accountable for the targets?

Who is responsible for tracking and reporting the annual accomplishments?

Baseline	TARGET					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6

PGS Framework

