



Republic of the Philippines  
**DEPARTMENT of AGRARIAN REFORM**

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**MEMORANDUM CIRCULAR NO. 07**  
Series of 2013

**SUBJECT: GUIDELINES IN THE RANKING OF BUREAUS/OFFICES/DELIVERY UNITS AND  
INDIVIDUAL PERSONNEL IN THE AVAILMENT OF THE 2012 PERFORMANCE-BASED  
BONUS**

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**I. BACKGROUND : MEMORANDUM CIRCULARS IN RELATION TO THE IMPLEMENTATION OF  
PERFORMANCE-BASED BONUS (PBB)**

- 1.1 In accordance with the Government's commitment to accountability and effective governance, President Benigno S. Aquino III issued EO No. 80 dated July 20, 2012, "Directing the Adoption of a Performance-Based Incentive System for Government Employees, " to motivate higher performance and greater accountability in the public sector and ensure accomplishment of commitments and targets under the five (5) key result areas of the Administration laid out in EO No. 43 and the Philippine Development Plan, 2011-2016.
- 1.2 Beginning 2012, such incentive system shall consist of an across-the board incentive in the form of the existing Productivity Enhancement Incentive (PEI), and a top up bonus to be known as the Performance-Based Bonus (PBB). The PEI in the amount of PhP5,000 shall continually be granted in accordance with the guidelines to be issued by the Department of Budget and Management (DBM). The PBB shall be given to the personnel of bureaus or delivery units in accordance with their contribution to the accomplishment of the Department's over-all targets and commitments subject to the prescribed criteria and conditions.
- 1.3 The Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems which was created through Administrative Order No. 25, series of 2011 was tasked to oversee the implementation of EO 80.
- 1.4 **Memorandum Circular No. 2012-1** was issued by the Inter-Agency Task Force on **August 13, 2012** detailing the Guidelines on the Cascading of Department Performance Targets in line with Executive Order No. 80. As set by the guidelines, the Department should comply with the following conditions to qualify for the PBB:
  - 1) Achieve at least 90% of MFO targets submitted to Congress and priority program/project targets agreed with the President under the five Key Result Areas of EO No. 43;
  - 2) Meet the good governance conditions/requirements set by A.O No. 25 Task Force annually under the performance drivers of Results-Based Performance Management System. For the first year of implementation, the specific conditions are as follows:
    - (a) Under the Stewardship Area, (1) mandatory posting of budget reports ( Agency Transparency Seal), (2) posting of all invitation to bid and awarded contracts in the Philippine Government Electronic Procurement System (PHILGEPS), and (3) liquidation within the reglamentary period of all cash advances granted to officials/employees within the year; and
    - (b) Under internal process efficiency, establishment of a Citizen's Charter or its equivalent.

- 1.5 Among other provisions, the Departments were directed to select, prioritize the three (3) most significant indicators of output and outcome under each Major Final Output (MFO) to capture the dimensions of quantity, quality and timeliness. Departments which have key programs/projects with performance targets for CY 2012 agreed with the President need to be prioritized. The targets that would be submitted by the agencies are those submitted to DBM in the Budget Execution Documents of 2012 and based on the funding provided for the in the General Appropriations Act (GAA).
- 1.6 Offices under "Support to Operations" and "General Administration and Support Services" which provide administrative and technical support to the bureaus responsible for the delivery of the MFOs and the key programs/projects were given two (2) Performance Indicators (PIs) each, capturing the dimensions of quality and timeliness of services specified by the Department Head for these offices.
- 1.7 Based on the above-mentioned basic guidelines, the DAR complied with requirement and filled-up the required Forms A, A-1 and B and had its first submission on September 17, 2012. After series of meetings and consultations with DBM, the Inter-Agency Task Force approved the DAR's submission on November 5, 2012. **Annex A1 presents the DAR's approved Forms A, A-1 and Annex A2 for Form B.** It is important to note that for DAR to qualify for the PBB, the first requirement is that the performance rating of each MFO target should be at least 90%.
- 1.8 In line with the guidelines on the good governance conditions, the Inter- Agency Task Force issued **Memorandum Circular No. 2012-02 on October 16, 2012.** The agencies are given up to November 30, 2012 for the compliance of the four good governance conditions set in the guidelines, as evidenced by the submission of the prescribed Certificate of Compliance to DBM not later than December 7, 2012.
- 1.9 **Good Governance Condition 1: Transparency Seal**  
Agencies should maintain a transparency on their official websites containing the following information:
- (a) Agency's mandates and functions, names of its officials with their position and designation, and contact information;
  - (b) Annual reports, as required under National Budget Circular No. 507 and 507-A dated January 31, 2007 and June 12, 2007, respectively, for the last three years;
  - (c) Approved budgets and corresponding targets immediately upon approval of this Act;
  - (d) Major programs and projects categorized in accordance with the five key result areas under EO No. 43, s-2011;
  - (e) Program/project beneficiaries as identified in the applicable provisions;
  - (f) Status of implementation and program/project evaluation and/or assessment reports; and
  - (g) Annual procurement plan, contracts awarded and the name of the contractors/ suppliers/ consultants.
- 1.10 **Good Governance Condition 2- PhilGEPS Posting**  
Agencies should ensure that all invitations to Bid and awarded contracts are posted in the Philippine Government Electronic Procurement System (PhilGEPS) website. The agency should comply with the posting requirements specified in MC No. 2012-02.
- 1.11 **Good Governance Condition 3- Cash Advance (CA) Liquidation**  
Agencies must ensure liquidation, within the reglamentary period, of all cash advance granted to all officials and employees for the year (2012). Liquidation should include foreign travels, domestic travels and cash advances for special activities, in accordance with COA rules.



Departments were given up to November 30, 2012<sup>1</sup> to comply with the non-liquidated cash advances since the beginning of the year.

- 1.12 Good Governance Condition 4- Citizen's Charter or its equivalent  
Agencies must comply with Section 6 of RA 9485 or the Anti-Red Tape Act (ARTA) which include setting-up of service standards known as the Citizen's Charter. The Citizen's Charter of the Agency should be posted in the official website (Transparency Seal). The agency's compliance must be validated by the Civil Service Commission.
- 1.13. The PBB shall be characterized by a system of ranking bureaus/ delivery units based on performance. Hence, Memorandum Circular 2012-03 was issued by the Inter-Agency Task Force on November 12, 2012 stipulating the Guidelines on Determining Eligibility and Ranking of Bureaus, Delivery Units and Individuals Based on Performance in Line with the Grant of PBB in CY 2012.
- 1.14 According to the MC, the Departments/Agencies should submit accomplishment reports (prescribed Forms 1, 1-A and II) based on Forms A,A-1 and B which was approved by the Inter-Agency Task Force.
- 1.15 The Department that meets the following conditions is eligible to the PBB for 2012:
- a) Achieved at least 90% of each one of the MFO, STO, GASS targets for FY 2012, as specified in Forms A and A-1 of MC 2012-01;
  - b) Achieved at least 90% of each one of the priority programs/projects targets agreed with the President, as specified in Form B of MC 2012-02;
  - c) Satisfied 100% of four (4) good governance conditions: three (3) under financial stewardship and one (1) under internal process, as specified in MC 2012-02.
- 1.16 Inability to meet any of the performance targets renders Departments/Agencies ineligible for the PBB in FY 2012.
- 1.17 Ranking of Bureaus, Offices or Equivalent Delivery Units Based on Performance
- a) Departments/Agencies that qualify for the PBB shall determine the component bureaus or delivery units that accomplished at least 90% of each one of their performance targets for FY 2012 using Forms I, I-A and II. It is understood that these offices shall have complied with the applicable good governance conditions.
  - b) Bureaus or delivery units and do not meet the above criteria in Item 1.16(a) shall not be eligible to the PBB.
  - c) Based on Forms I, I-A and II, bureaus or delivery units eligible to the PBB shall be forced ranked according to the extent/degree of their contribution to the achievement of the Department targets, as follows:

RANKING	PERFORMANCE CATEGORY
Top 10%	Best Bureau/Delivery Unit
Next 25%	Better Bureau/Delivery Unit
Next 65%	Good Bureau/Delivery Unit

- d) To facilitate ranking of bureaus or delivery units, they can be formed into sub-groups according to similarity of their tasks and responsibilities. The forced ranking will be done within the different sub-groups.

<sup>1</sup> The October 31, 2012 deadline specified in MC No. 2012-02 was moved to November 30, 2012 as contained in MC NO. 2012-02-A dated October 31, 2012, "Amendment to MC No. 2012-02"



- e) In addition to quantitative criteria, the Department Secretary has the option to use other criteria (both quantitative and qualitative) which must be conveyed to the bureau/delivery unit heads for transparency.
- f) A Performance Management Group (PMG) consisting of senior officials may be created to oversee the implementation of the PBB.

1.18 Rating and Ranking of Performance of Individuals

- (a) Officials and employees of bureaus, offices or delivery units that qualified for the PBB, based on criteria and conditions in Item 1.16(a), shall be force ranked as follows:

RANKING	PERFORMANCE CATEGORY
Top 10%	Best Performer
Next 25%	Better Performer
Next 65%	Good Performer

- (b) The Departments/Agencies shall use the Career Executive Performance Evaluation System (CESPES) to determine the individual performance and accomplishments of those officials belonging to the Third Level. With respect to the First and Second Level employees, the Departments are given flexibility to use their existing CSC-approved Performance Appraisal System (PAS).
- (c) Officials belonging to the Third Level who receive a rating lower "Very Satisfactory" , under the CESB guidelines, and employees belonging to the First and Second Levels who receive a "Below Satisfactory" rating, under the CSC guidelines, shall not be eligible to the PBB.

1.19 PBB Distribution and Rates for FY 2012

- (a) The rates of the PBB shall be based on the performance ranking of bureaus or delivery units, and rating of individuals, as provided in EO No. 80, as follows:

BUREAU/DELIVERY UNIT PERFORMANCE CATEGORY	INDIVIDUAL PERFORMANCE CATEGORY		
	BEST	BETTER	GOOD
BEST	35,000	20,000	10,000
BETTER	25,000	13,500	7,000
GOOD	15,000	10,000	5,000

II. OBJECTIVES AND COVERAGE

2.1 The Memorandum Circular is issued by the DAR to set rules and procedures in the granting of PBB in the DAR central, regional and provincial (including its municipal) offices consistent with the guidelines (MC Nos. 2012-01, 2012-02, 2012-02-A, and 2012-03) issued by the Inter-Agency Task Force.

2.2 This set of guidelines is applicable for the granting of PBB in CY 2012 only.

III. CREATION OF THE PERFORMANCE MANAGEMENT GROUP (PMG)

3.1 A Performance Management Group (PMG) shall be created to assist the DAR Secretary and ensure the smooth implementation of the granting of the PBB in the Department. The Group shall:

- Directly oversee and observe the performance of all offices;
- Ensure that the set of guidelines in this MC is followed thoroughly by the Local/Provincial and Regional Performance Evaluation and Review Committee (PERC);



- Adopt a communication strategy will engage the employees in the process of understanding and meeting the targets of the Department under the PBB;
- Undertake the force ranking of offices and individuals based on the considerations and parameters set by these guidelines;
- Set-up a Help Desk to respond to queries and comments; and
- Set-up an appeal mechanism which can respond to and redress issues and concerns brought by an official or employee.

3.2 The PMG shall be composed of:

- Chairperson - Undersecretary for Finance, Management and Administration
- Members - Undersecretary for Legal Affairs  
 - Undersecretary for Field Operations  
 - Undersecretary for Support Services  
 - Undersecretary for Policy, Planning and External Affairs  
 - Undersecretary, SPAR-SRO  
 - Assistant Secretary, FMAO  
 - National President, DAR Employees Association (DAREA)

3.3 A PMG-Technical Working Group shall undertake all the technical and administrative work needed by the PMG. The TWG shall be composed of the following:

- Chair - Director of Planning Service
- Co-Chair - Director of Administrative Service
- Members - Director of the Bureau of Agrarian Reform Information and Education  
 - Director of Finance and Management Service  
 - Chief of Staff of the Field Operations Office, Office of the USec  
 - Chief of Staff of the Support Services Office, Office of the USec  
 - Chief of Staff of the Legal Affairs Office, Office of the USec  
 - Chief of Staff of Finance, Management and Administration Office, Office of the USec  
 - DAREA Representative

3.4 The PMG-TWG shall be assisted by a Technical and Administrative Secretariat composed of the following:

- Head Chief of Staff FMAO, Office of the USec  
 Technical Staff from Planning Service, Personnel Division, BARIE and FIMAS

3.5 Local/Regional/Provincial Performance Evaluation and Review Committee (PERC)

1. At the DAR-Central Office, a Local PERC shall be created in every DARCO Unit and shall be composed of Office/Bureau/Service Head of Office, Next-in-Rank, Division Chiefs, DAREA Office Representative.
2. In each of the DARROs, a Regional PERC shall be established and shall be composed of the Assistant Regional Director for Administration as the Chairperson, Assistant Regional Director for Operations (Vice-Chair), all Division Chiefs and DAREA Representative. At the DARRO, the Regional Director is the approving authority. The Chairperson shall appoint their technical and administrative secretariat.
3. In each of the DARPOs, a Provincial PERC shall be created and composed of the Provincial Agrarian Reform Officer I as the Chairperson, all division chiefs, representatives of the Municipal Agrarian Reform Program Officers (MAROs) and

DAREA Representative. The Chairperson shall appoint their technical and administrative secretariat.

3.6 Functions of the Local /Regional /Provincial PERC:

- Disseminate the guidelines on PBB, respond to queries of employees and ensure that there is smooth implementation of PBB in respective offices;
- Ensure that the SPEED of the employees are properly filled-up and rated in accordance with the actual performance of the employee (PART I) and the peer evaluation is done in behavioral dimensions (PART II);
- Undertake the initial ranking of the employees in their respective offices based on the guidelines set in this MC;
- Submit the List of Ranked Employees and the Best Performers including all supporting documents;
- Implement the Appeal Mechanism which shall be set-up by the PMG; and
- Work closely with the PMG-Technical Working Group for submission of documents, data and information in the ranking of offices, bureaus and services; and
- Undertake other tasks that may be assigned by the PMG.

**IV. GUIDELINES IN RANKING BUREAUS, OFFICES AND DELIVERY UNITS**

- 4.1 It is important to note the DAR has three major final outputs (MFOs) and these are all included in Form A of the PBB as submitted and approved by the Inter-Agency Task Force, to wit:  
MFO 1 : Land Tenure Improvement (LTI),  
MFO 2: Agrarian Justice Delivery (AJD), and  
MFO 3: Program Beneficiaries Development (PBD),
- 4.2 The ranking of offices in the DAR will be done in three groups, namely: Group I- ranking of the 80 DAR provincial offices (DARPOs), Group II- ranking of the 15 DAR regional offices (DARROs), and Group III- ranking of the 25 bureaus and services in the DAR-Central Office (DARCO).
- 4.3 Based on the accomplishments of the MFO targets in prescribed Forms I, I-A (**Annex B1**) and Form II (**Annex B2**), the Land Tenure Improvement (LTI), Program Beneficiaries Development (PBD), Agrarian Justice Delivery (AJD) , Support to Operations (STO) and General Administration and Support Services (GASS) sectors shall determine the performance rating of each delivery unit within each sector. For the MFO targets, the main delivery units are the DARPOs. Each LTI, PBD and AJD sector came up with the rating system which is discussed below:
- 4.4 Determining the Rating of the Performance Indicators on MFO I: Land Tenure Improvement
1. For LTI performance indicators, the rate of accomplishment versus the targets is the basic consideration in rating each delivery unit. In the case of the indicator on gross area covered, the considerations in rating are the accomplishment rate, share in the national accomplishment and the degree of difficulty in distributing the lands.
  2. The three performance indicators of LTI that are considered as priority indicators (total of 60%), and with the following weight assignment, are as follows:
    - Number of gross area covered hectares – 45% with three parameters: rate of accomplishment-10%; share in the national total accomplishment- 30% and degree of difficulty in moving the lands as evidenced as LBP-compensable lands – 5%



- Number of hectares covered under leasehold – 5%
  - Number of hectares in collective CLOA – 10%
3. The other indicators with a total weight of 40% are as follows:
    - No. of landholdings issued with notice of coverage – 12.5%
    - No. of hectares pipelined for 2013- 12.5%
    - No. of hectares for DNYD CFs submitted to LBP- 5%
    - No. of hectares awarded for survey – 10% ( new lands-5% and collective CLOA- 5%)
  4. The LTI detailed guidelines are presented in **Annex C** and the template for rating the DARPOs is presented in **Table 1 (MFO on LTI)**.

#### 4.5 Rating of the performance indicators under the MFO on PBD

1. The main consideration in coming up with the PBD rating is the rate of accomplishment based on targets and multiplied by the weight assignment of each indicator.
2. The following three PBD performance indicators are considered as priority indicators with a total weight assignment of 60%:
  - No. of ARBs provided with microfinance- 20%;
  - No. of ARBs trained in ARCs and non-ARCs – 20%;
  - No. of organizations strengthened – 20%.
3. The remaining 40% includes other indicators as follows:
  - No. of new members in organizations – 10%;
  - No. of organizations provided with credit – 10%;
  - No. of ARBs involved in credit- 10%; and
  - No. of completed physical infrastructures monitored- 10%.
4. The PBD detailed guidelines are presented in **Annex D** and the template for rating is presented in **Table 2 (MFO on PBD)**.

#### 4.6 Rating of the performance indicators under the MFO on AJD

1. The AJD has two sub-MFOs, namely: (1) the adjudication of cases delivered by the Department of Agrarian Reform Adjudication Board (DARAB) at the Central, Regional Agrarian Reform Adjudication Board (RARAD) and Provincial Agrarian Reform Adjudication Board ( PARAD); and (2) Agrarian Legal Assistance delivered by the Legal Offices at the Central, Regional and Provincial Offices. Separate ratings will be done by each delivery unit.
2. Sub-MFO on Agrarian Legal Services (ALS)
  - a. The basis for the rating is the rate of accomplishment and its share in the national accomplishment. The two major indicators with the corresponding weight assignment are as follows:
    - Representation of cases – 30%
      - judicial cases – 10% (rate of accomplishment = 7%; share in the national accomplishment = 3%)
      - quasi-judicial cases-20% (rate of accomplishment = 14%; share in the national accomplishment = 6%)
    - Resolution of ALL cases – 50% (rate of accomplishment = 35%; share in the national accomplishment = 15%)
    - Mediation - 20% (rate of accomplishment = 14%; share in the national accomplishment = 6%)
  - b. The ALS guidelines and the template for rating is presented in **Table 3 (sub-MFO on Agrarian Legal Services)**.
3. Sub-MFO on Adjudication of Cases



- a. There is only one indicator for the adjudication of cases. The rate of accomplishment versus targets is 80% and performance compared to the threshold on the number of cases to be resolved per adjudicator is 20%.
- b. The guidelines and template for rating is presented in **Table 4 (sub-MFO on Adjudication of Cases)**

#### 4.7 Rating and Ranking of the DAR-Provincial Offices (DARPOs)

1. The first level of ranking will be done at the DAR-Provincial Offices which are the direct operating and delivery units of the three MFOs. The MFO ratings of the 80 DARPOs on LTI, PBD and AJD from Tables 1-4 shall be used in the ranking of DARPOs. The weight distribution is as follows: LTI-40%; PBD-35% and AJD- Adjudication -10% and AJD-ALA-15% and a total of 100% or 100 points.
2. A bonus of 5 points (maximum) will be awarded to DARPOs which met the following conditions:
  - LTI – 100% installation of uninstalled ARBs; special assignments/ activities related to distribution of landholding of Hacienda Luisita, Inc (HLI), have introduced innovations in the land acquisition and distribution (LAD) processes; Provided assistance in the delivery of LTI targets of other high-LAD provinces; compliance to directives of cleansing data/updating of LTI-databases = 3 points
  - PBD- 100% compliance to conduct of ALDA and OM ( in terms of number of ARCs and organizations assessed vs. targets) = 1 point
  - AJD- full implementation/operationalization of Legal Case Monitoring System= 1 point
3. **Table 5** presents the Template for Rating and Ranking the DARPOs.
4. Based on the forced ranking guidelines, 10% would be best provincial office, 25% better and 65% good provincial office. Since there are 80 DARPOs, there would be 8 best provincial offices, 20 better provincial offices and 52 good provinces.
5. Hence, DARPOs ranked 1-8 would be best provinces, those ranked no. 9 to 28 shall be better provinces and those in rank no.29 to 80 shall be the good provinces.

#### 4.8 Rating and Ranking of the DAR-Regional Offices (DARROs)

1. The next level of ranking will be done at the DARRO level. To rate and rank the 15 DARROs, there shall be three major considerations, namely:
  - Average rating of all the provincial offices supervised by the Regional Management - 40%;
  - Regional AJD Accomplishment - 5% (RARAD = 2.5% and the Regional Legal Division =2.5%); and
  - Regional Management Plan to support the DARPOs- 55%
2. A bonus of 5 points (maximum) will be awarded to DARROs that:
  - Performed special assignments/tasks not included in the 2012 Work and Financial Plan of the Office and not within the ambit of their regular functions. The special assignments/tasks are assigned by the Assistant Secretary, Undersecretary or the Secretary and covered by a Memorandum/ Special Order or evidenced with a concrete documentation report
3. **Table 6** presents the Template for Rating and Ranking the DARROs.
4. Based on the forced ranking guidelines, 10% would be best provinces, 25% better and 65% good provinces. Since there are 15 regional offices, there would be 2 best regional offices, 4 better regional offices and 9 good regional offices.





- Hence, the regional office that ranked 1-2 shall be the best office, those ranked 3 to 6 shall be the better offices and those ranked 7 to 15 shall be the good offices.

#### 4.9 Rating and Ranking of the Bureaus and Services in DAR-Central Office (DARCO)

- The DAR-CO units are categorized into the following delivery units:
  - Office of the Secretary with the Undersecretaries and Assistant Secretaries,
  - Bureaus
  - ServicesHence, there are 17 DARCO units which shall be considered in the rating and ranking (See Table 7).
- To rate and rank the 17 units of the DAR-Central Office, considerations shall be based on the following:
  - Office Work and Financial Plan-- 50%; and
  - National level performance rating of the applicable sector/s where the DARCO unit is providing technical support - 50%
- A bonus of 5 points (maximum) will be awarded to offices that:
  - Performed special assignments/tasks not included in the 2012 Work and Financial Plan of the Office and not within the ambit of their regular functions. The special assignments/tasks are assigned by the Assistant Secretary, Undersecretary or the Secretary and covered by a Memorandum/ Special Order or evidenced with a concrete documentation report (e.g. Back Office of the Hacienda Luisita, Special Activities in relation HLI, Back Office in the Verification of Land Titles, Documentation of Innovations on Land Acquisition and Distribution (LAD), LAD Data Presentors, etc.)
  - Introduced innovations/measures which resulted in generation of savings for the Department.
- The concerned offices with bonus points should present proofs/documentary evidences.
- Table 7 presents the Template for Rating and Ranking the bureaus, services and offices in DARCO.
- Based on the forced ranking guidelines, 10% would be best office, 25% better and 65% good offices. Since there are 17 DARCO bureaus, services or offices, there would be two (2) best offices, four (4) better offices and 11 good offices.
- Hence, the bureaus/services that ranked 1-2 shall be the best office, those ranked 3 to 6 shall be the better offices and those ranked 7 to 17 shall be the good offices.

#### 4.10 Mechanics in Ranking the DARPOs, DARROs and DARCO Units

- The PMG-TWG shall prepare reports in accordance with the prescribed Forms 1, 1A and II (Annex B) of Inter-Agency Task Force. The accomplishments shall be prepared by Planning Service in coordination with the FOO, SSO and LAO for the MFO targets and with FIMAS, PSRS, MIS and Administrative Service for the STO and GASS indicators. Accomplishments on MFO targets shall have provincial breakdown.
- The Office of the Undersecretary for FOO shall compute the LTI rating of the DARPOs using Table 1. The Office of the Undersecretary for SSO shall compute the PBD rating of the DARPOs using Table 2. The Office of the Undersecretary for LAO shall compute for the DARPOs' AJD rating composed of Agrarian Legal Services and Adjudication of Cases using Tables 3 and 4.
- With the sectoral rating of the DARPOs in Tables 1-4, the PMG-TWG shall undertake the initial forced ranking of the DARPOs using Table 5, for the DARROs using 6 and for the DARCO units using Table 7.
- If necessary, additional documents shall be secured by the PMG-TWG to substantiate the initial ranking of DARPOs, DARROs and DARCO units.



5. The initial forced ranking of DARPOs, DARROs and DARCO units done by the PMG-TWG shall be deliberated by the PMG who will come up with final ranking which shall also be submitted to the DAR Secretary, for approval. The approved ranking of offices shall be disseminated to all offices at the provincial, regional and DARCO levels.

#### V. GUIDELINES IN RATING AND PRELIMINARY RANKING OF INDIVIDUAL EMPLOYEES IN THE FIRST AND SECOND LEVELS

- 5.1 The Local PERC (provincial, regional and central levels) shall, regardless of the rank of the office their respective offices, rate and rank of all the employees in their office to determine the best, better and good performers. Ranking of the staff in the DARPOs shall include the staff of the DAR-Municipal Offices (DARMOs) and all the divisions under the office: Operations, Beneficiaries Development Coordination Division, Legal, Admin and Finance, Planning and Monitoring and Evaluation Unit, and the Office of the PARO. For the DARROs, the ranking shall include all the staff in the divisions: Operations, Legal, Support Services, Planning, Information and Education, Admin and Finance, Office of the Regional and Assistant Regional Directors, etc.). For DARCO, the ranking shall be done in each bureau, service or cluster of offices. However, there shall be one standard set of guidelines that shall govern the rating and ranking of individual employees in the entire Department.
- 5.2 All permanent, temporary, co-terminus, and contractual employees with salary grades 1-24, including those holding SG 25 positions (e.g. Chief of Legal Division) but are neither presidential appointees nor belonging to 3<sup>rd</sup> level are covered by these guidelines.
- 5.3 Re-assigned staff within DAR (provincial, regional or DARCO) covering the entire CY 2012 shall be included in the ranking of staff in his/her current office. For staff who are re-assigned in less than a year, he/she shall be ranked in the office where most of his/her time was spent.
- 5.4 Personnel who are detailed in offices outside DAR shall collect their PBB in the current office where he/she is working, if qualified for the PBB.
- 5.5 The CSC-approved System for Performance Evaluation and Employee Development (SPEED) shall be used. The SPEED rating to be considered shall cover the 1<sup>st</sup> and 2<sup>nd</sup> semesters of 2012.
- 5.6 The 2012 performance of each staff shall be based on two factors:
1. Average SPEED rating for 1<sup>st</sup> and 2<sup>nd</sup> semesters of 2012 = 65%  
GMC #1, s. 2003 shall be strictly followed in rating the performance of employees. It shall be the responsibility of the supervisors and the heads of office to make sure that entries are correct. The Performance Evaluation and Review Committees shall initiate the conduct of cross rating for a more objective evaluation of the behavioral dimensions (Part II of SPEED).
  2. Quality of Contribution to the DAR = 35%  
Contributions of employees over and above their current duties and functions shall be recognized. For the quality of contribution, there shall be two sets of percentage points, (1) for the DARMO staff and (2) for the DARPO, DARRO and DARCO personnel. Contributions shall be in the following aspects:



Parameters	MAXIMUM POINTS FOR DARMO STAFF	MAXIMUM POINTS FOR DARPO, DARRO AND DARCO EMPLOYEES
Designation to a higher position	15	10
Additional tasks not part of the work plan of the office	10	10
Introduction of innovations intended to enhance efficiency	10	10
Attendance to flag raising ceremonies (except DARMO staff)	-	5
<b>TOTAL</b>	<b>35</b>	<b>35</b>

#### 5.7 Designation to higher position

1. An employee who has been designated to perform functions higher than his/her current position for at least 2 months (continuous) within the year shall be given credit provided that the designation is covered by a special order duly signed by an authorized official. The points shall depend on the position of the designation and the duration of the designation. The average equivalent points shall be the rating of the employee.

##### By Position

Position of Designation	Equivalent points for DARMO Staff	Equivalent Points for DARPO/ DARRO/ DARCO Staff
Designated as head of office/ chief of a division/ MARO	15	10
Admin staff (up to SG9) to technical positions	10	8
Technical staff designated to higher technical positions	5	6

##### Duration

Duration of Designation	Equivalent points for DARMO Staff	Equivalent Points for DARPO/ DARRO/ DARCO Staff
11-12 months	15	10
9-10 months	12	8
7-8 months	9	6
5-6 months	6	4
2-4 months	3	2

2. The average SCORE shall be computed by adding the two equivalent points and dividing the sum by 2. The result shall be the rating of the employee.

	Equivalent Points	Average
Position of Designation		
Duration of Designation		

#### 5.8 Additional tasks /special assignments in addition to current functions

1. Tasks which shall be credited are additional tasks/special assignments which are not part of the 2012 office work plan nor part of the employees plan in the SPEED. These should be covered by a Special Order or a memorandum, and assigned by the head of office (PARO, Regional Director, Director at DARCO, Asst. Secretary, Undersecretary,

Secretary). Three parameters shall be considered in getting the rating: scope, degree of accountability, and total hours devoted to complete the assignment following the assigned points below:

Scope	Equivalent points	
	DARMO Staff	DARPO/ DARRO/ DARCO Staff
Inter-agency in scope /Priority Project of DAR (e.g. Hacienda Luisita, Back Office in DARCO, One-DAR Concept, etc.)	10	10
Department-wide	8	8
Region-wide	6	6
Province-wide	4	4

Accountability	Equivalent points for DARMO Staff	Equivalent Points for DARPO/ DARRO/ DARCO Staff
As Chairperson/Team Leader	10	10
As Vice-Chairperson/Asst. Team Leader	8	8
As Member	6	6

Total Time Devoted in 1 yr	Equivalent points for DARMO Staff	Equivalent Points for DARPO/ DARRO/ DARCO Staff
At least 176 hrs	10	10
132-175hrs	8	8
88-131 hrs	6	6
44-87 hrs	4	4

2. The average score shall be computed by adding the three equivalent points and divided by 3. The result shall be the rating of the employee.

	Equivalent Points	Average
Scope		
Accountability		
Total time spent		

5.9 Introduction of innovations

1. Innovations introduced by an employee to increase office efficiency will be accorded due acknowledgement based on the degree of adoption as enumerated below:

Degree of adoption	Equivalent points	
	DARMO Staff	DARPO/ DARRO/ DARCO Staff
Nationwide adoption /replicated in selected areas	10	10
Region-wide adoption	8	8
Province-wide/Bureau-wide/Service-wide adoption	6	6

Proposal approved by Secretary/Undersecretary /Assistant Secretary for pilot testing	4	4
Proposal approved by Regional Director/Provincial Agrarian Reform Officer/ Bureau Director /Service Chief for pilot testing	2	2

5.10 Attendance to Flag Raising Ceremony

- For DARPO, DARRO and DARCO staff, regular attendance to Flag Raising Ceremony will also be considered in rating quality of contribution to emphasize the importance of attending the Monday activity. It is important to note that the DARMO staff are excluded from this parameter. The rating scale is as follows:

% Attendance (based on actual number of Flag Ceremony conducted in a year)	Equivalent Points
90-100%	5
70-89%	4
50-69%	3
30-49%	2
10-29%	1
Less than 10%	0

- The percentage of the attendance shall be based on the number of actual flag raising ceremonies conducted within the year. All employees who are on official travel on the dates on the FC shall be considered to have attended the activity. Attendance sheets submitted to the Personnel Division/Section shall be the basis in computing number of times present. However, the immediate supervisor or head of office have the authority to validate actual attendance.

5.11 Computation of the Over-All Rating of the Employee

- To compute for the over-all rating of the employees in the DARPO, DARRO or DARCO units, the following Table 8A shall be used. Table 8B has been designed for DARMO staff

5.12 Conditions to Become Best Performers

- After computing for the over-all rating of each employee, the PERC shall determine the 10% best performers of the office. Staff who possess ALL of the following conditions are eligible to become the best performer.
  - Performing functions not lower than his/her current position;
  - No SPEED rating lower than 6 in any of the performance indicators and behavioral dimensions;
  - Did not undergo continuous leave of absence for more than 1 month for 2012
  - Delivered outputs which are directly related to the mandate of his/her bureau/service/office or deliverables of DAR
- The selection of the 10% best performers should be accompanied with corresponding supporting documents.

5.13 Mechanics of Rating the Employee

- The approved individual SPEED Performance Rating (for the 1<sup>st</sup> and 2<sup>nd</sup> semesters) in accordance with the guidelines on GMC #1, s. 2003 shall be the basic document to be used

by the PERC in rating the employee. The PERC, upon the guidance of the Head of Office shall ensure that Part I: Performance is properly rated and should see to it that peer rating has been done for Part II: Behavioral Dimensions. The individual SPEED rating shall be properly signed by the employee, the rater and the reviewer (supervisor of the rater).

2. The Local Performance Evaluation and Review Committee (PERC)/Provincial PERC/Regional PERC shall be re-activated by the Head of Office as specified in **Item III** of this MC. Basically, the PERC is mandated to :
  - a. be responsible in making sure that entries in the SPEED are proper and correct;
  - b. make sure that pertinent documents are examined to ensure fair rating;
  - c. initiate cross rating in coming up with ratings for the behavioral dimension;
  - d. determine the preliminary rank of employees; and
  - e. select the best performers of the office based on the above-mentioned criteria.
3. All the SPEED of the employees for the two semesters in 2012 shall be submitted to the Local/Provincial/Regional PERC within the designated timeframe and shall be used in getting the 2012 average SPEED rating.
4. The Local/ Regional PERC shall rate each of the employees in their respective office using the considerations and parameters set in **Item V** of this MC and shall come up with filled-up **Table 8a** for Ranking Individual Employees in DARRO and DARCO units. The Provincial PERC shall fill-up **Table 8a** for the DARPO staff and **Table 8b** for the DARMO staff with the province. These two matrices (with the employees individual rating) shall be merged to come up with one ranking of all employees in the province (DARPO and DARMO staff).
5. From the ranked employees, the Local/Provincial/Regional PERC shall determine the 10% best performers using the criteria set in **Item 5.13** of this MC. The determination of the better and good performers shall follow their corresponding rank in **Table 8**.
6. The Local/Provincial/Regional PERC shall submit the following outputs to the PMG in accordance with deadline set by the PMG:
  - a. Filled-up **Table 8a** for the DARRO and DARCO employees/Merged **Table 8a** and **8b** for the provincial staff, certified true and correct by the members of the concerned PERC, and
  - b. List of Best Performers with supporting documents.

## **VI. GUIDELINES IN RATING AND RANKING OF THIRD LEVEL OFFICIALS**

The rating of third level officials from PARO I up to the Secretary, including rank and file employees designated to 3<sup>rd</sup> level positions (e.g. Division Chief designated as OIC-PAROI or OIC- PAROII) shall be based on 2012 CESPEs Rating (70%); and significant personal contribution (30%). Significant Personal Contribution covers performing functions higher than current position due to designation, delivery of special tasks/assignment, and compliance to good governance conditions.

**6.1 Performing functions higher than current position due to designation.** A third level official who has been designated to perform functions higher than hi/her current position or an employee who has been designated to perform 3<sup>rd</sup> level position at least 2 months (continuous) within the year shall be given credit provided that the designation is covered by a special order duly signed by an authorized official. The rating shall be based on the degree of difference in accountability and duration of the designation.

**6.2 Additional tasks /special assignments in addition to current functions.** Tasks which shall be credited are additional tasks/special assignments which are not part of regular function of the position or designation. The basis of the rating shall be based on the degree of difficulty and impact on the Department. Duration or period required to successfully complete the task may likewise be considered.



6.3 The following applies to RARAD in lieu of the additional tasks/special assignments for other employees:

- The RARAD radiating as PARAD, or with two or more salas shall be entitled to an additional one point incentive per sala handled;
- The Adjudicator with a designated sala and concurrently assigned at DARCO shall also be entitled to one incentive point
- The radiating Adjudicator who is temporarily handling a sala for 30 days or more shall be entitled to an incentive of one point, provided that the said designation is by virtue of a Special Order.
- The rank of 3<sup>rd</sup> level officials cannot be higher than the rank of the office of the concerned official. **Table 9** shall be used in consolidating the rating and rank of 3<sup>rd</sup> level employees.

## VII. FINAL RANK OF INDIVIDUAL OFFICIALS AND EMPLOYEES

The final rank of officials and employees of DAR shall be done by the PMG to ensure conformance with MC2012-05 issued by DBM using Tables 10, 10A, and 10B.

The PMG shall ensure that the following:

1. Best employees comprising 10% of the total current number of personnel eligible for the grant of PBB shall be distributed as follow with corresponding rate:

Rank of Office	Percentage of Number of Employees Nationwide	Rate of Incentive
Best	1%	P35,000.00
Better	2.5%	P 25,000.00
Good	6.5%	P15,000.00

2. Better employees comprising 25% of the total current number of personnel eligible for the grant of PBB shall be distributed as follow with corresponding rate:

Rank of Office	Percentage of Number of Employees Nationwide	Rate of Incentive
Best	2.5%	P20,000.00
Better	6.25%	P 13,500.00
Good	16.25%	P10,000.00

3. Good employees comprising 65% of the total current number of personnel eligible for the grant of PBB shall be distributed as follow with corresponding rate:

Rank of Office	Percentage of Number of Employees Nationwide	Rate of Incentive
Best	6.5%	P10,000.00
Better	16.25%	P 7,000.00
Good	42.25%	P5,000.00

Officials and employees who have been preliminarily ranked as best but were not included in the top 1% shall automatically be included among the better employees.



**VIII. TIMEFRAME IN THE GIVING OF THE PERFORMANCE-BASED BONUS**

Based on the extended deadline set by the AO 25 Inter-Agency Task Force and after completing all the requirements, it is estimated that the DAR employees will get their PBB-bonus by May 2013 in accordance with the corresponding performance level.

**IX. TOTAL ESTIMATED BUDGETARY REQUIREMENT**

Annex E presents the total estimated fund requirement in the implementation of the PBB amounting to PhP 95,850,994, broken down as follows:

OFFICE	EMPLOYEE	PRESCRIBED % DISTRIBUTION	PBB RATE	QUANTITY - MAXIMUM NO. OF DAR PERSONNEL	TOTAL AMOUNT REQUIRED
Best	Best	1%	35,000	109	3,804,150
Better	Best	2.50%	25,000	272	6,793,125
Good	Best	6.50%	15,000	706	10,597,275
Best	Better	2.50%	20,000	272	5,434,500
Better	Better	6.25%	13,500	679	9,170,719
Good	Better	16.25%	10,000	1,766	17,662,125
Best	Good	6.50%	10,000	706	7,064,850
Better	Good	16.25%	7,000	1,766	12,363,488
Good	Good	42.25%	5,000	4,592	22,960,763
<b>TOTAL</b>		<b>100%</b>		<b>10,869</b>	<b>95,850,994</b>


The following considerations were used in the above-mentioned PBB fund requirement:


- All the 80 DARPOs, 15 DARROs and 17 DARCO units shall qualify for the PBB;
- The 11,581 estimated warm bodies (actual deployment) of the Department will qualify for the PPB (no rating below Satisfactory) ; and

**X. EFFECTIVITY**

This Memorandum Circular shall take effect immediately and shall be applicable for granting of PBB for 2012 only. This MC also amends/ supersedes all other circulars which are inconsistent herewith.

22 April 2013 DILIMAN, QUEZON CITY

  
**VIRGILIO R. DE LOS REYES**  
 Secretary

Department of Agrarian Reform  
 Office of the Secretary  
  
 MC - 13 - 06192