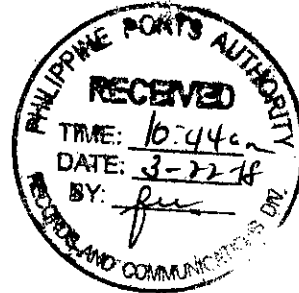




02 March 2018

MEMORANDUM CIRCULAR
Number: 03 - 2018



TO : All PPA Officers and Employees

SUBJECT : Forced Ranking of Personnel for the Grant of Performance-Based Bonus (PBB) for 2017 and Beyond

Eligibility for the PBB

1. Pursuant to existing guidelines, the Performance-Based Bonus (PBB) shall be distributed to qualified officers and employees of Government Owned/Controlled Corporations (GOCC) in accordance with a system of ranking on a percentile basis within their respective levels as determined by the GOCC Governing Board through Management.
2. These levels are Senior Management, Middle Management, Professional and Supervisory, and Clerical/General Staff. The positions included under each level are those defined in existing guidelines.
3. Officers and employees who receive a "Below Satisfactory Rating" under the CSC Strategic Performance Management System (SPMS) or its equivalent shall not be eligible to the PBB. Officers and employees who failed to accomplish and submit their Individual Performance Commitment and Review (IPCR) Form as well as other required SPMS Forms on the basis of their Office Performance Commitment and Review (OPCR Form) are likewise not eligible to the PBB.
4. PBB shall not be released to officers and employees who have been found guilty of administrative and/or criminal cases by formal and executory judgement; have not submitted their latest Statement of Assets, Liabilities and Net Worth (SALN); and, failed to liquidate Cash Advances received with the reglementary period.

System of Ranking for the PBB

5. The GCG, through Memorandum Circular 2018-01, has prescribed the distribution of PBB in accordance with the table below to qualified officers and employees based on ranking of individual performance. The OPCR rating and the IPCR rating shall be both considered in the forced ranking of employees:

Forced-ranking Nationwide	Percentile	PBB as % of MBS
Top Performers	10%	65.00%
Next Top Performers	25%	57.50%
Remaining	65%	50.00%

MECHANICS FOR IDENTIFYING TOP 10%, NEXT 25% AND REMAINING 65% FOR THE GRANT OF PBB

6. Based on the GCG definition, PPA officials/personnel shall be classified into Senior Management, Middle Management, Professional/Supervisory, and Clerical/General Staff. RC Heads and Division Managers (regular and in acting capacity for at least 3 months) are pooled under Middle Management.
7. Ranking of Assistant General Managers shall be dictated by the performance of the RCs under them. This will be based on the average rating of all the RCs which they supervise. There will be separate ranking for Department Managers, Port Managers, and Division Managers.
8. Such groupings/classifications per Office (Head Office) and per geographic area (PMOs) are in accordance with Performance Management Team (PMT) Resolution 03-2015.
9. Based on the population per category at the Head Office and at the PMOs, the equivalent number of Top 10%, Next 25%, and Remaining 65% are computed.
10. Where the resultant number is enough to be equitably allocated per RC, this shall be done to enable each RC to have just share in the Top 10% and Next 25%. However, when the number is not sufficient or when there are extra slots, allocation shall be done by Office or by geographic area. The OPCR rating among RCs within an Office or geographic area shall determine the order of priority in getting a slot for the Top% or Next 25%.
11. Within the RC, the officers/personnel shall be ranked according to the IPCR rating and the rating shall determine the order of priority among the personnel in getting a slot for the Top 10% or Next 25%. In the event when there are employees who attained the same average rating (Average of 1st Semester and 2nd Semester rating), the determination of who shall be elected for Top 10%/Next 25%/Remaining 65%, as the case may be, shall be decided by the RC Head.
12. To determine the PPA-wide listing, all those belonging to the Top 10% per Office and per geographic area shall be placed in one group, all those belonging to the Next 25% per Office and per geographic area shall be place in another group, and the Remaining 65% per Office and per geographic area shall also constitute as a separate group.

13. A final validation of the percent share per category will be done. If there would be excess/deficits, adjustment would be done by either pulling up or pushing down the deficit or excess, as the case may be, to ensure that a fairly accurate distribution according to the GCG guidelines would be achieved.
14. Ranking shall be determined on the basis of the average rating corresponding to the 1st Semester and 2nd Semester evaluation of performance for the applicable year. It should be noted that employees must at least render nine (9) months of service to be eligible to the full grant of the PBB. For employees who rendered a minimum of three (3) months but less than nine (9) months of service, they shall be eligible for the grant of PBB on a pro-rata basis. Thus, an employee may be rated for his/her performance and may be granted with the PBB even without reaching the full semester or the full year rating periods.
15. Employees who obtained "Unsatisfactory" rating shall not be entitled to the performance-based pay.
16. This system of ranking shall provide all RCs with equal access to opportunity for rewarding and or disciplining employees based on their performance.

Implementation

17. This Memorandum Circular takes effect immediately and shall be used as basis for the grant of PBB for 2017 and the years thereafter unless otherwise amended to comply with changes, if any, in GCG guidelines on Interim Performance-Based Bonus.

For compliance.

JAY DANIEL R. SANTIAGO
General Manager 