

07 February 2017

PHLPost CIRCULAR No. 17- 07



**SUBJECT: GUIDELINES ON THE GRANT OF 2015 PERFORMANCE  
BASED BONUS (PBB) -**

### **1.0 Background and Purpose**

Executive Order No. 80, s. 2012 (E.O. 80) was issued among others, provide incentives that support and encourage performance-driven, productive and efficient GOCCs. The PBB System for GOCCs is an integral part of the Compensation and Position Classification System (CPCS) mandated by the "Governance Act of 2011" (R.A. No. 10149. Accordingly, the GCG Memorandum Circular No. 2015-05 established the rules and regulations for the 2015 Interim Performance-Based Bonus (PBB) System for Qualified Officers and Employees of GOCCS covered by GCG.

### **2.0 Rationale**

To provide incentives that can encourage performance-driven, productive and efficient postal officials and employees, hence, the herein guidelines for the grant of PBB for all qualified personnel shall be adopted.

### **3.0 Coverage:**

Officers and employees of this Corporation who occupy regular and contractual positions provided that they have rendered an aggregate of at least (9) months of service for the year ending December 31, 2015.

### **4.0 Eligibility for the grant of PBB**

- 4.1 Officers and employees with a final rating of at least **"VERY SATISFACTORY"** based on PHLPost Strategic Performance Management System (SPMS); and has rendered a minimum of nine (9) months of service during the fiscal year (2015)
- 4.2 An employee who is on vacation or sick leave, with or without pay, for the entire year, is not eligible to the grant of the PBB.
- 4.4 Personnel found guilty of administrative and/or criminal cases related to their work for the year payment of PBB is allowed are not entitled to PBB. However, if the penalty meted out is only a reprimand, such penalty shall not cause the disqualification to the PBB.
- 4.5 Officials and employees who failed to submit the 2014 SALN as prescribed in the rules provided under CSC Memorandum Circular No. 3 (2015), shall not be entitled to the FY 2015 PBB.
- 4.6 Officials and employees who failed to liquidate Cash Advances received in 2015 within the reglamentary period as stated in the prevailing COA Circular, shall not be entitled to PBB.
- 4.7 Officers and employees who failed to submit their duly accomplished IPCR forms (January – June 2015 & July - December 2015) within the prescribed period.

#### **Additional Requirement:**

- 4.8 Officers and employees who failed to submit their 2016 SALN at the time of payment shall not be entitled to PBB.

**5.0 Exclusions** – Excluded from the grant of the PBB are the following:

- a. Consultants and experts hired to perform specific activities or services with expected output.
- b. Those hired as contract of service workers with no employer-employee relationship.

## **6.0 Distribution System**

Officers and employees of PHLPost is hereby grouped accordingly, who shall be ranked on a percentile basis within their respective levels as determined by the PPC Management, as follows:

### **6.1 Grouping of Personnel**

- a.) **Senior Management** - Assistant Postmasters General and Area Directors.
- b.) **Middle Management**- Head Executive Assistant, Department Manager, Division Chief, Postmaster VII.
- c.) **Professional and Supervisory**- Personnel occupying positions with Salary Grade 10 to 23 ( e.g. Postmaster I-VI, HRMO, SPSO, etc.)
- d.) **Clerical/ General Staff** – personnel occupying plantilla positions ranging from SG-4 to 9. (e.g. Letter Carrier, Mail Sorter, Postal Teller, etc.)

**6.2 Distribution for Qualified Officers and Employees** – In each of the levels provided for in Section 6.1 above, the ratings of officers and employees under the Performance Evaluation System shall be quantified to allow for ranking **on a percentile basis** for the purpose of distribution, as follows:

6.2.1 The grant of the PBB shall be based on the performance of the individual Officers and employees within the rate of incentive as a multiple of the individual's monthly basic salary based on the table below.

<b>Percentile</b>	<b>Multiple</b>
Top: Maximum 10%	2.50
Next: Maximum 25%	1.50
Remaining: Minimum 65%	1.00

6.2.2 **Computation of PBB** – PBB shall be computed such as 100% of the result of 6.2.1 and subject to tax in excess of Php82,000.

**7.0 Grievance Mechanism.** All complaints and issues that shall be raised by Officers and employees shall be resolved through the Performance Management Team (PMT) who shall conduct investigation and resolve the case within 30 days upon receipt of the complaint. If the concerned employee is not satisfied with the decision of the PMT, he/she may elevate his/her concerns to the Postmaster General.

Payment of PBB shall not be earlier than March 15 and not later than **March 31, 2017**.

  
**JOEL L. OTARRA**  
Postmaster General and CEO



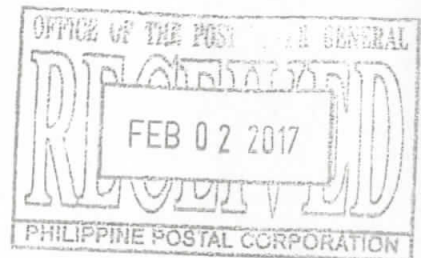


26 August 2016

**HON. CESAR N. SARINO**  
 Chairman

**HON. JOEL L. OTARRA**  
 Postmaster General and Corporate Officer-in-Charge  
**PHILIPPINE POSTAL CORPORATION (PHLPOST)**  
 3<sup>rd</sup> Floor Central Office Building  
 Liwasang Bonifacio, Manila

**RE : AUTHORIZATION TO GRANT FY2015 PBB TO  
PHLPOST OFFICERS AND EMPLOYEES**



Dear Chairman Sarino and OIC-Postmaster General Otarra,

The **PHILIPPINE POSTAL CORPORATION (PHLPOST)** has satisfied the requirements of **GCG MEMORANDUM CIRCULAR (MC) No. 2015-05** and the *Checklist of Documents to be submitted by GOCCs to Qualify for the FY 2015 Performance-Based Bonus (PBB)*. This is based on:

1. Certifications executed under oath by the Chairman, Postmaster General, and other concerned officers of the PHLPOST;
2. Review by the GCG of the completeness of required submissions from PHLPOST for FY 2015 PBB, including compliance with Good Governance Conditions specific to the GOCC Sector;
3. Validation by the GCG of the accomplishments of PHLPOST for FY 2015 with a final Performance Scorecard rating of **90.74%** (See **Annex A**); and
4. Validations received from the Civil Service Commission (CSC), PhilGEPS, the Department of Budget and Management (DBM), and the A.O. No. 25 Inter-Agency Task Force (IATF) Secretariat, pursuant to the directive by the A.O. No. 25 IATF.

Accordingly, the Governing Board of the PHLPOST is hereby **AUTHORIZED** to grant the **FY 2015 PBB**, with a grand total of **₱97,085,386.78** to **4,841** eligible officers and employees as follows:

Rank	Multiplier	Distribution		Total Approved PBB Amount (₱)
		Number	Percent	
Senior Management				
Top: Maximum 10%	2.5	1	7%	158,905.00
Next: Maximum 25%	1.5	4	29%	558,654.00
Remaining: Minimum 65%	1.0	9	64%	627,131.00
Sub-total		14	100%	1,344,690.00
Below Satisfactory		0		

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for Circular 17-07

Rank	Multiplier	Distribution		Total Approved PBB Amount (₱)
		Number	Percent	
Middle Management				
Top: Maximum 10%	2.5	7	10%	829,530.00
Next: Maximum 25%	1.5	17	25%	1,183,329.00
Remaining: Minimum: 65%	1.0	44	65%	2,039,468.00
Sub-total		68	100%	4,052,327.00
Below Satisfactory		5		
Professional & Supervisory				
Top: Maximum 10%	2.5	119	10%	6,580,562.50
Next: Maximum 25%	1.5	302	25%	10,090,399.50
Remaining: Minimum: 65%	1.0	778	65%	16,211,296.36
Sub-total		1,199	100%	32,882,258.36
Below Satisfactory		331		
Clerical/General Staff				
Top: Maximum 10%	2.5	351	10%	11,415,357.50
Next: Maximum 25%	1.5	882	25%	17,337,828.00
Remaining: Minimum: 65%	1.0	2,532	66%	30,052,925.92
Sub-total		3,560	100%	58,806,111.42
Below Satisfactory		426		
Grand Total of Eligible Personnel		4,841		
Total of Below Satisfactory		762		
Grand Total of PBB				₱97,085,386.78

However, the Governing Board of PHLPOST shall ensure that the PBBs will only be released to officers and employees who have complied and submitted their Statement of Assets, Liabilities and Net Worth (SALN).

~~We respectfully remind the Governing Board to ensure that the PHLPOST's grant of the FY 2015 PBB should observe the following conditions:~~

- ~~1. The funding to support the PBB shall be charged by PHLPOST to its corporate funds, subject to Section 9, GCG MC No. 2015-05;~~
- ~~2. The total cost of the PBB shall not result in a net loss for CY 2015 computed before subsidy and unrealized gains/losses, and after taxes;<sup>1</sup>~~
- ~~3. In the event that the total amount of PBB to be distributed exceeds the Corporate Operating Budget (COB) level, the Governing Board shall request from DBM the approval of the Supplemental Budget necessary for this purpose; and~~

<sup>1</sup> The Net Income of PHLPOST in its 2015 Unaudited Financial Statements includes the amount of FY2015 PBB recorded as an expense under Personal Services amounting to P120,000,000.00.

4. No other performance-based bonus or its equivalent has been released or will be released for FY 2015 in addition to the PBB scheme provided under GCG MC No. 2015-05.

This is a one-time approval applicable only for FY 2015.

FOR YOUR INFORMATION AND GUIDANCE.

Very truly yours,

  
**JAIME MA. F. FLORES II**  
Chairman

  
**CARLOS G. DOMINGUEZ III**  
DOF Secretary



  
**MICHAEL P. CLORIBEL**  
Commissioner

  
**BENJAMIN E. DIOKNO**  
DBM Secretary



  
**SAMUEL G. DAGPIN, JR.**  
Commissioner

cc: COA Chairman MICHAEL G. AGUINALDO  
COA Resident Auditor – PHLPOST



**PHILIPPINE POSTAL CORPORATION  
2015 Interim Performance Scorecard**

SOCIAL IMPACT	Performance Measures				PHLPOST Submission		CGO-B Evaluation		Supporting Documents	Remarks	
	Description	Formula	Weight	Target	Actual	Rating	Score	Rating			
	SO 1	Accessing people to communication and information, delivery of goods and merchandise, and provision of postal payments by ICT infrastructure									
	SM 1	Number of domestic trade products registered at Pinoy eMall (Number of domestic trade products information in the e-Commerce website of PHLPOST).	Number of domestic trade products = Number of products information at Pinoy eMall	10%	200	PHLPOST e-Commerce website was down on Feb 2015 due to technical issues	10%			<ul style="list-style-type: none"><li>- Screen capture of Pinoy eMall down system</li><li>- Merchant Settlement Report of Products before Pinoy eMall was down</li><li>- Documentations and timeline of the operationalization of Pinoy eMall</li></ul>	Target excluded. Pinoy eMall was already suspended as early as 23 February 2015 due to technical problems in its payment system. A total of 312 products were up on the website for sale before the suspension.
SM 2	Increased market share vis-a-vis private postal carriers	Number of business entity clients with service agreement	3%	Procurement of third-party market research publication	Procurement of third-party market research publication	3.00%	Procurement of third-party market research publication	3.00%	<ul style="list-style-type: none"><li>- Budget Utilization Slip for the payment of the market research publication, Ken Research Private Land</li><li>- Summary of the research</li></ul>	Target met. PHLPOST placed as 2nd most significant player in domestic express delivery service with 11,000 employees and a market share of 16.2 % or 32.1 million USD for the year 2014.	
	Subtotal		13%			13%		3%			

SOCIAL IMPACT

2.0.2 Promoted postal presence in the community											
SM 3	Increased number of franchised Postal Stations	Number of Postal Stations = Number of operational PHLPOST operated plus number of accredited authorized Postal Stations	5%	92 (40 additional for the year)	80	4.35%	80	4.35%	- Signed copy of the list of postal stations established as of December 2015	Renegotiated target not met by 13%. The original target was aimed at franchising 132 postal stations but was renegotiated to 92 postal stations, provided that 2016 target will be 184.	
	<b>Subtotal</b>		5%			4.35%		4.35%			
2.0.3 Promote a customer centric postal service											
SM 4	Customer satisfaction rating	Customer satisfaction = Number of customers satisfied with PHLPOST services	5%	Conduct of partial corporate survey in Metro Manila by the third party provider	Conduct of partial corporate survey in Metro Manila by the third party provider	5.00%	Conduct of partial corporate survey in Metro Manila by the third party provider	5%	- Certification from STRAND-Asia confirming that it has conducted PHLPOST's Customer Satisfaction Survey for 2015  - Survey questionnaires from STRAND-Asia	Target met. The survey was conducted last December 2015 with 1,400 respondents.	

SM 5	International Express post delivery performance for Metro Manila	1. Number of days sample items delivered = (Date received by addressee/duly authorized representative in the committed areas less (date received by Office(s) of Exchange, number of days at Bureau of Customs for examination/ clearance/ taxation, flexible day-off (if applicable), Saturdays, Sundays and/or holidays)	4%	1 day after customs @ 95% (committed areas for Metro Manila)	1 day after customs @ 94% (committed areas for Metro Manila)	3.98%	1 day after customs @ 94.40% (committed areas for Metro Manila)	3.97%	- Signed consolidated report as of December 2015 of IEMS delivery performance	Target not met. This was conducted via Live Sampling Mail Method wherein sample actual postal items are to be delivered in the sample post offices within a targeted span of days. In this measure, the sampling size consisted of 1,071 mails or 4% of the total mail volume. Out of the total sampling size, 1,011 samples or 94.40% of the total sample size was delivered within the target number of delivery days.
SM 6	International Express post delivery performance of committed areas outside of Metro Manila	2. Percentage of sample items delivered = Percentage of sample items delivered in the committed areas within the average delivery period	4%	3 days after Customs @ 95% (Outside of Metro Manila)	3 days after Customs @ 98% (Outside of Metro Manila)	4.00%	3 days after Customs @ 98% (Outside of Metro Manila)	4.00%		Target exceeded. This was conducted with a total sampling size of 1,211 or .08% of the total mail volume. 1,186 samples or 98% of the total sample size was delivered within the target number of delivery days.



SM	7	Domestic Express post delivery performance for Metro Manila	1. Number of days sample items delivered = (Date received by addressee/duly authorized representative in the committed areas less date received by designated EMS acceptance postal outlet) less (day item is received by designated EMS delivery postal outlet, flexible day-off (if applicable), Saturdays, Sundays and/or holidays)	4%	1.5 days after posting @ 90% (committed areas in Metro Manila)	3 days after posting @ 99% (committed areas in Metro Manila)	3.00%	1.5 days after posting @ 80% (committed areas in Metro Manila)	3.56%	- Signed consolidated report of DEMS delivery performance as of December 2015	Target not met. The actual delivery performance, 1.5 days after posting is at 80%.
	8	Domestic Express post delivery performance of committed areas outside of Metro Manila	2. Percentage of sample items delivered = Percentage of sample items delivered in the committed areas within the average delivery period	4%	3 days after posting @ 90% (outside of Metro Manila)	3 days after posting @ 87% (outside of Metro Manila)	3.93%	3 days after posting @ 89%	3.94%		Target not met. The process for this measure consisted a total sampling size of 854 or .03% of the total volume, with 757 or 88.64% of the sample size delivered within the 3-day target.

SM	9	International Parcel post delivery performance	1. Number of days sample items delivered = (Date received by addressee/duly authorized representative less (date received by Office(s) of Exchange, number of days at Bureau of Customs for examination/ clearance/ taxation, flexible day-off (if applicable), Saturdays, Sundays and/or holidays) 2. Percentage of sample items delivered = Percentage of sample items delivered within the average delivery period	4%	7 days after Customs @ 85%	7 days after Customs @ 95%	4.00%	7 days after Customs @ 94.54%	4.00%	- Signed consolidated report as of December 2015 of international parcel post delivery performance for Metro Manila	Target exceeded. 1,577 samples or 94.54% out of the total volume of 1,668 samples, were delivered within the target.
	10	Domestic Parcel post delivery performance		4%	7 days after posting @ 85%	7 days after posting @ 90%	4.00%	7 days after posting @ 90.11%	4.00%	- Signed consolidated report as of December 2015 of domestic parcel post delivery performance for Metro Manila	Target exceeded. Out of the total sampling size of 1,163 or 3% of the total volume, 1,048 or 90% were delivered within the target.

FINANCIAL	SM 11	International Letter post delivery performance	1. Number of days sample items delivered = (Date received by addressee/duly authorized representative less (date received by Office(s) of Exchange, number of days at Bureau of Customs for examination/ clearance/ taxation, flexible day-off (if applicable), Saturdays, Sundays and/or holidays)	4%	7 days after Customs @ 85%	7 days after Customs @ 95%	4.00%	7 days after Customs @ 95%	4.00%	- Signed consolidated report as of December 2015 of international letter post delivery performance for Metro Manila	Target exceeded. Out of the total sampling size of 6,068 or 1% of the total volume, 5,769 or 95% were delivered within the target.
	SM 12	Domestic Letter post delivery performance	2. Percentage of sample items delivered = Percentage of sample items delivered within the average delivery period	4%	7 days after posting @ 85%	7 days after posting @ 90%	4.00%	7 days after posting @ 92.65%	4.00%	- Signed consolidated report as of December 2015 of domestic letter post delivery performance for Metro Manila	Target exceeded. Out of the total sampling size of 264,895 or 1% of the total volume, 245,429 or 92.65% were delivered within the target.
		Subtotal		37%			35.91%		36.47%		
	50.4 Institutionalize sound fiscal management policies										
	SM 13	% Increase of Net Income before tax, including franking privilege reimbursed from National Government	Net Income before taxes = Total revenue less total expenses plus franking privilege reimbursed from National Government and tax	10%	PHP 623 M	PHP 454.17 M	7.29%	PHP 303.42 M	4.87%	- PHLPOST's Restated Statement of Comprehensive Income submitted to COA	Target not met by 51%.



INTERNAL PROCESS	SM 14	% Increase in earnings before interest, taxes, depreciation and amortization (EBITDA), including franking privilege reimbursed from National Government	EBITDA = Total revenue less total operating expense plus franking privilege reimbursed from National Government (excluding Interest, Taxes, Depreciation and Amortization)	5%	PHP 702 M	PHP 582.68 M	4.15%	PHP 418.3 M	2.98%		Target not met by 40%.	
	SM 15	Increase in Postal Service Fees outside of CCT	Postal Service Fees = Postal Money Order fees/charges plus ePost MO fees/charges + Payout fees/charges + Third-party collection service commission + Postal Identification fees/charges + Biometrics Joint Venture revenue	10%	PHP300 M	PHP 308.33 M	10.28%	PHP 308.33 M	10%		Target exceeded by 3%.	
		Subtotal		25%			21.72%		17.85%			
	3.4.5	Maintain the integrity of the postal service										
	SM 16	ISO quality certification of core processes	Quality certification = Number of ISO-certified processes	5%	6 Manuals approved by the PHLPOST Board	6 Manuals approved by the PHLPOST Board	5.00%	6 Manuals approved by the PHLPOST Board	5%	- Certification of Board Resolution No. 2015-158 approving manuals on - (I) budgeting, - (II) customer service, - (III) legal management, - (IV) security, - (V) corporate planning, - (VI) supply and property management	Renegotiated target met. Manual on ICT Systems and Marketing Managements was replaced with the manual on Budget.	
-		Subtotal		5%			5%		5%			

SM 17	% Increase of postal outlets with internet connectivity	Number of ICT-connected postal outlets = Number of postal outlets with Internet connectivity	4%	30% of total outlets	407 (30% of total outlets)	4.00%	407 (32%)	4.00%	- Signed copy of copy of the list of postal outlets with internet connectivity	Target met. The number of PHLPOST's postal stations totaled to 1,277 as of 31 December 2015.
	<b>Subtotal</b>		<b>4%</b>			<b>4.00%</b>		<b>4.00%</b>		
SM 18	Number of postal outlets with Point of Sales (POS) systems	Number of postal outlets with Point of Sales (POS) systems	3%	TOR of POS systems for postal outlets	TOR of POS systems for postal outlets	3.00%	Development of POS System	3.00%	-Signed report on PHLPOST POS System -TOR for POS system -Screenshots of POS Modules/User's Guide	As part of Funds Management System contract, PHLPOST engaged in the development of Point-of-Sales system. The prototype of the POS module has already been installed at the data center of PHLPOST. However, due to the implementation of 12% VAT to postal products (which is a requirement of the BIR), PHLPOST has yet to undergo its expansion.
	<b>Subtotal</b>		<b>3%</b>			<b>3%</b>		<b>3%</b>		
SM 19	Competency Framework	Approval by the GCG of Competency Framework	3%	Competency measure as approved by BOD	Competency measure as approved by BOD	3.00%	Enhance Employee Productivity and Competency measure as approved by BOD Effectiveness	3.00%	- Certification of Board Resolution No. 2015-158 approving PHLPOST's Competency Framework	Target accomplished.

SM 20	Number of frontline and operations-related trainings conducted	Number of batches per frontline training conducted = Number of batches per training for (Postmasters plus Letter Carriers plus Postal Tellers plus Driver-Couriers)	5%	36 batches for frontline positions	30 batches for frontline positions	4.17%	51 batches for frontline positions	5%	-Certified copy of list of trainings	Target exceeded.
	<b>Subtotal</b>		8%			7.17%		8%		
	<b>TOTAL OF WEIGHTS</b>		100%			84.15%		81.67%		
	<b>VALIDATED TOTAL</b>		100%			93.50% (84.15% / 90%)		90.74% (81.67% / 90%)		