

March 24, 2009

CUSTOMS MEMORANDUM ORDER

NO. 17-2009

TO: All Bureau Officials and Employees


SUBJECT: Revision on the BOC Performance Management System under CMOs 13-2008, 6-2008 and 31-2002

Section 1. Objectives -

- 1.1. To align the guidelines in the implementation of the Bureau's Performance Management System (PMS) with the relevant sections on Attrition of Personnel specifically Rule V of the Rules and Regulations to Implement RA No. 9335 otherwise known as the Attrition Act of 2005 including the Revenue Performance Evaluation Board (RPEB) Resolution No. 1 dated February 26, 2008 approving the policies, rules and guidelines for the allocation, distribution and release of the rewards and incentives due to the Bureau, including the actual expenditure plan for cash incentives and criteria and procedures for the application of attrition and other penalties.
- 1.2. To prescribe the duties and responsibilities of units, officials and employees pertaining to the implementation of PMS.

Section 2. Rationale -

- 2.1. Section 17, Rule V provides that personnel subject to attrition shall be officials and employees including District heads and assistant head, who have revenue collection targets. These collection targets shall be reflected in their performance contracts that they shall enter into pursuant to Section 7 (b) of the same Act and civil service laws, rules and regulations.
- 2.2. Section 18, Rule V further provides that an official or employee of the Bureau may be separated or removed from the service by the final decision of the Board upon recommendation of the Commissioner, when the revenue collection performance of such official or employee falls short of the target by at least 7.5%, with due consideration of all relevant factors affecting the level of collections as provided in these Rules, subject to civil service laws, rules and regulations and compliance with substantive and procedural due process.
- 2.3. Section 21, Rule V, on the other hand, provides that employees and officials of the Bureau who are separated from the service by virtue of Section 7(a) of the Act shall be deemed dropped from the rolls in accordance with Civil Service laws, rules and regulations, without prejudice to the receipt of whatever benefits are due to the official/employee, including reemployment to other government agencies, at the discretion of the appointing authority concerned.
- 2.4. Section 2.2., Rule XII CSC Memorandum Circular No. 40, s. 1998, otherwise known as the Omnibus Rules on Appointments and other

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Personnel Action provides guidelines in the dropping from the rolls for unsatisfactory or poor performance, as follows:

“2.2. Unsatisfactory or Poor Performance

a. An official or employee who is given two (2) consecutive unsatisfactory ratings may be dropped from the rolls after due notice. Notice shall mean that the officer or employee is informed in writing of the unsatisfactory performance for a semester and is sufficiently warned that a succeeding unsatisfactory performance shall warrant his separation from the service. Such notice shall be given not later than thirty (30) days from the end of the semester and shall contain information which shall enable the employee to prepare an explanation.

b. An official or employee, who for one evaluation is rated poor performance, may be dropped from the rolls after due notice. Due notice shall mean that the officer or employee is informed in writing of his poor performance not later than the 4th month of that rating period with sufficient warning that failure to improve his performance within the remaining period of the semester shall warrant his separation from the service. Such notice shall also contain sufficient information which shall enable the employee to prepare an explanation.”

- 2.5. Accordingly, the BOC-PMS as provided for in existing regulations shall ensure a system of regular tracking of revenue collection performance and the corresponding issuances of notice of warning.

Section 3. The BOC-Performance Management System (PMS)

- 3.1. The BOC-PMS has been established under the following issuances:

- 3.1.1. CMO 13-2008, entitled Establishing the Interim BOC Performance Management System (PMS), its Guidelines and for other purposes
- 3.1.2. CMO 31-2002, entitled Performance Evaluation System (PES) for first and second level personnel
- 3.1.3. CMO 6-2008, entitled Career Executive Service Performance Evaluation Systems (CESPES) for third level personnel

- 3.2. In order to comply with the requirements as above-stated, additional instructions and/or amendments to the BOC-PMS shall be made, as follows:

- 3.2.1. In the accomplishment of the Individual Commitment Record (PES) and Performance Contract (CESPES), the commitments stated in the Office Performance Evaluation System (OPES) of their respective offices shall be the primary consideration in order to ensure that each and every official and employee contribute to the accomplishment of the OPES Commitments. In the case of attributable personnel, the individual target/collective or pooled target, as the case may be, shall be the

targeted results or objectives reflected in their respective commitments/contracts. In the case of third level officials, however, other work commitments in the BOC Strategic Plan should be reflected in their CESPES Performance Contract. However, commitments other than revenue collection shall not form part of the evaluation process for attrition purposes.

3.2.2. The OPES Forms A and B as provided for in Section 7, CMO 13-2008 shall be revised as follows:

3.2.2.1. **Form A**, attached as Annex 1 shall be used by Groups, Services, Divisions, Offices under the Office of the Commissioner and Divisions in Collection Districts (Ports and Supports) **without assigned revenue collection targets**. It shall be accomplished by reflecting the appropriate Strategic Action/Key Performance Indicator/Time Frame as laid out in the BOC Strategic Plan for 2008-2012.

3.2.2.2. **Form B**, attached as Annex 2 shall be used by Groups, Services, Divisions under the Office of the Commissioner and Divisions in Collection Districts (Ports and Supports) **with assigned revenue collection targets** wherein the office shall be mandated to indicate the following Strategic Actions and Weights:

- To optimize revenue collection based on target -90%
- To strengthen compliance with financial reportorial requirements-10%

3.2.3. Evaluation of accomplishments of both Forms shall be in accordance with the following rating scale:

- 1 (Poor) – Below target by more than 7.5%
- 2 (Unsatisfactory) – Below target by 7.5% or less
- 3 (Satisfactory) – Meets target
- 4 (Very Satisfactory) – Above target by 7.5% or less
- 5 (Outstanding) – Above target by more than 7.5%

3.2.4. From January to September of an evaluation year, the concerned Group, Service, District, Support, Division, Section, Office may submit an adjusted OPES using the **Supplemental Form 1** (for additional outputs) or **Supplemental Form 2** (for

only be made with prior approval of the Commissioner of Customs in relation to adjusted targets of BOC, if any.

3.2.5. The functions of the Performance Evaluation Review Committee (PERC) under Section III of CMO 31-2002 insofar as the evaluation of the performance of attritable officials and employees only shall be transferred to the Lateral Attrition Implementation Committee (LAIC) which is annually constituted by the Commissioner of Customs to assist him in the implementation of the Attrition Act of 2005.

3.2.6. The Individual Performance Rating period shall still be done every six (6) months ending on June 30 (First Semester) and December 30 (Second Semester) as provided for in Section V of CMO 31-2002 for first & second level positions and annually in the case of third level positions as provided for in CMO 6-2008. However, the submission of accomplishment reports for ATTRITABLE PERSONNEL ONLY (all levels) shall be done quarterly in order to comply with the due process requirements of CSC MC No. 40 series of 1998 re: dropping from the rolls. Hence, the **PES Commitment and Appraisal Report for attritable personnel** only shall be revised and herein prescribed as Annex 5. The CESPES Performance Contract and Review Form as per CMO 6-2008 shall not be revised. However, third level attritable officials shall also be required to submit quarterly accomplishment report on revenue collections.

3.2.7. Evaluation of accomplishments for all officials and employees shall be revised in accordance with the following rating scale:

- 1 (Poor) – Below target by more than 7.5%
- 2 (Unsatisfactory) – Below target by 7.5% or less
- 3 (Satisfactory) – Meets target
- 4 (Very Satisfactory) – Above target by 7.5% or less
- 5 (Outstanding) – Above target by more than 7.5%

3.3. The following roles and responsibilities shall be performed by the concerned office insofar as the implementation and monitoring of performance management system is concerned:

3.3.1. Lateral Implementation Committee (LAIC) – shall review the Quarterly Accomplishment Report (OPES Form B,

PES and CESPES) of attributable personnel and issue the corresponding written warning to the office/personnel whose revenue collection performance rating is either 1 (Poor) or 2 (Unsatisfactory) for the given quarter with sufficient warning that failure to improve performance within the remaining period of the semester/year shall warrant his/her dropping from the rolls pursuant to CSC MC No. 40 series of 1998 and the provisions of LAL. Such notice shall also contain sufficient information which shall enable the office/personnel to prepare an explanation.

- 3.3.2. Interim Internal Control Office (IICO) – shall be the lead office for the proper implementation and monitoring of BOC-PMS. Specifically, it shall monitor the submission of OPES Forms A and B, Supplemental OPES Forms A and B, OPES Quarterly Accomplishments and submit reports thereon to proper authorities. It shall prepare necessary documentation as to assist LAIC in its Quarterly Performance Review of revenue collections, in the issuance of warnings and recommendations for attrition in accordance with the provisions of this Order, of LAL and of related laws, rules and regulations.
- 3.3.3. Financial Service, RCMG – shall likewise assist LAIC in the quarterly performance evaluation of OPES, PES and CESPES by providing relevant information.
- 3.3.4. Human Resources Management Division (for personnel under the Office of the Commissioner) and the Office of the Deputy Collector for Administration (for Collection Districts) shall monitor the submission of duly signed Individual Commitment Forms/Performance Contracts and the Performance Evaluation Forms within their respective prescribed periods and submit reports thereon to proper authorities. It shall likewise assist LAIC in the quarterly performance evaluation of PES and CESPES of attributable personnel.

Section 4. Repealing Clause. All rules, regulations and orders inconsistent with this Order are hereby repealed, rescinded or modified accordingly.

Section 5. Effectivity. This Order shall take effect this evaluation year CY 2009.

NAPOLEON D. MORALES
Commissioner





OFFICE/UNIT:

INSTRUCTIONS:

PERFORMANCE PERIOD:

- Accomplish this Form by reflecting the appropriate Strategic Action/Key Performance Indicator/Time Frame according to your corresponding Responsible Group as laid out in the BOC Strategic Plan for 2006 to 2012.
- Assign the corresponding weight for each Strategic Action as agreed upon with your immediate superior.
- In the Rating column, the immediate superior evaluates the results achieved by the office/unit against the agreed standards. Appropriate box must be marked with the corresponding number;

(O) Outstanding=7.5%+ above target; VS (Very Satisfactory)=1%-7.4% above target; S (Satisfactory)=Meets target; [US] Unsatisfactory; 1%-7.4% below target; (P) Poor=7.5% + below target

PLANNING PHASE (ACCOMPLISH AT START OF THE YEAR)

EVALUATION PHASE (To be accomplished at end of each quarter)

GOALS	STRATEGIC ACTION	KPI	WT.	RESULTS ACHIEVED	EVALUATION PHASE					Average
					7.5%+ above target	1%-7.4% above target	Meets target	1%-7.4% below target	7.5%+ below target	
Enhance revenue collection	To optimize revenue collection based on target	To collect the total amount of _____ broken down as follows: First Quarter - _____; Second Quarter - _____; Third Quarter - _____; Fourth Quarter - _____.		Collected _____ for first quarter or _____ % positive (negative) deviation from target.						
	To strengthen compliance to financial reportorial requirements	Submission of accurate reports to FS every 5th day of the month	90%	January FS submitted on _____; February FS submitted on _____; March FS submitted on _____.						
			10%							
			100%							

Superior's Signature

Subordinate's Signature

Superior's Signature

Subordinate's Signature

Date of Discussion

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