

JHMC

JOHN HAY MANAGEMENT CORPORATION

January 12, 2015

HON. CESAR L. VILLANUEVA

Chairman

Governance Commission for GOCCs

3rd Floor Citibank Center, 8741 Paseo De Roxas

Makati City



Marie

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12 Jan 2015 3:26 PM

DATE

TIME

Subject : Transmittal of FY-2015 GCG-JHMC Performance Agreement

Dear **Chairman Villanueva**:

This is to transmit an original copy of each of the following documents as signed by the Members of the JHMC Board of Directors:

- a. Addendum for the 2014 Performance Agreement between GCG and JHMC;
- b. Performance Agreement for 2015 between GCG and JHMC which embodies the agreements reached during our Performance Agreement Negotiation last September 04, 2014. Also included is the revised Interim Performance Scorecard reflecting revised targets for 2014.

Thank you.

Very truly yours,

SILVESTRE C. AFABLE JR.

Chairman of the Board

John Hay Management Corporation

a member of the BCDA Group



OCS-OUT-2015-0002



PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02 [Re-Issued])** between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

JOHN HAY MANAGEMENT CORPORATION (JHMC)

WITNESSETH: THAT –

The Parties agree to the following terms:

1. **Period.** – This Agreement shall be effective beginning from the execution of this Agreement and ending upon the determination by the Governance Commission of the eligibility of JHMC for the FY 2015 PBB and PBI.
2. **Charter Statement and Strategy Map.** – JHMC's Charter Statement and Strategy Map for the Period specified in Section 1 hereof, shall be as follows:

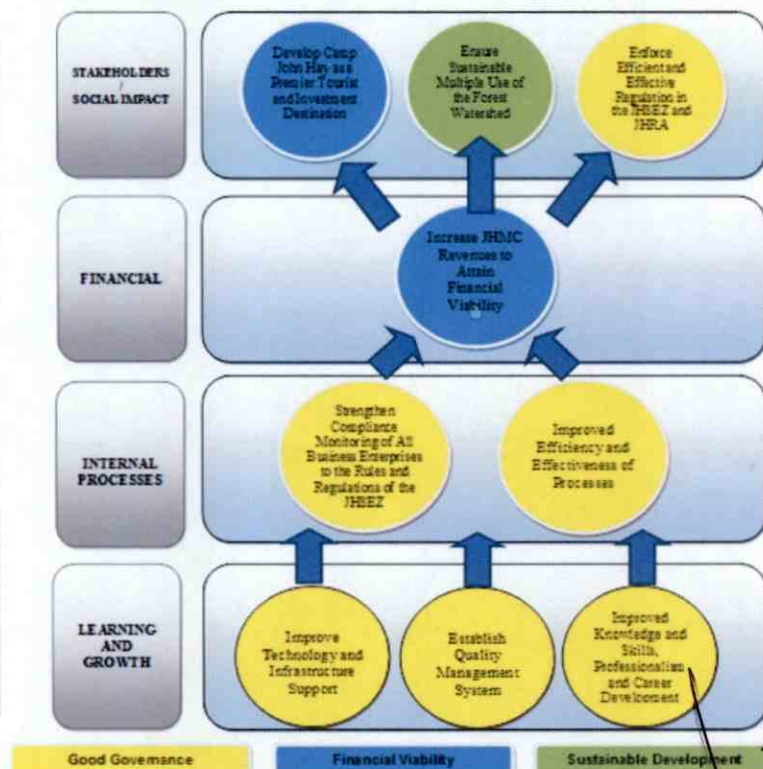


JOHN HAY MANAGEMENT CORPORATION CHARTER STATEMENT AND STRATEGY MAP

Vision : By 2018, the JHMC shall have transformed Camp John Hay into the primary catalyst for the tourism development within the Cordillera Region and the leader of environment and forest stewardship in the Philippines.

Mission : As the steward of Camp John Hay, John Hay Management Corporation develops the estate into a premier tourist and investment destination, that contributes to economic growth and job generation; ensures sustainable multiple use of the forest watershed; and enforces efficient and effective regulation in the Special Economic Zone.

Core Values :
Stewardship
Passion for the Environment
Integrity
Commitment
Excellence



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3. **Measurement of Performance.** – Based on the Performance Scorecard 2015 attached hereto as **Annex A**, the JHMC's Performance for 2015 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

COMPONENT		WEIGHT	RATING SYSTEM	2015 TARGET	
SOCIAL IMPACT / STAKEHOLDERS	SO 1	Develop Camp John Hay as a Premier Tourist and Investment Destination			
	SM 1	Number of jobs generated in the JHSEZ	12.5%	Actual Increase / Target Increase x Weight	4,100
	SM 2	Gross sales of business enterprises within the JHSEZ	12.5%	Actual / Target x Weight	₱200 M
	SO 2	Ensure Sustainable Multiple Use of the Forest Watershed			
	SM 3	Issuance of ISO 14001 Environmental Management System	10%	All or Nothing	- Research and thorough study on ISO 14001 Compliance Processes, procedures and standards (in-house) - Procurement of consultancy service for ISO 14001
	SM 4	Compliance of JHMC to National Ambient Air Quality Standards on Particulate Matter 10 (PM10) within the JHSEZ.	10%	Actual / Target x Weight	less than 80µg/ Ncm (PM10)
	SO 3	Enforce Efficient and Effective Regulation in the Special Economic Zone			
	SM 5	Stakeholder's Satisfaction Survey	10%	Actual / Target x Weight	95%
		Sub-total	55%		
	FINANCIAL	SO 4	Increase JHMC Revenues to Attain Financial Viability		
SM 6		Remittance of Collection from Lease rentals of BCDA Assets	10%	Actual / Target x Weight	₱27.3 M
		Sub-total	10%		
INTERNAL PROCESS	SO 5	Strengthen Compliance Monitoring of All Business Enterprises to the Rules and Regulations of the JHSEZ			
	SM 7	Frequency of Spot inspections per Business Enterprise	7.5%	Actual / Target x Weight	4,420
	SM 8	Frequency of Certificate of Environmental Compliance (CEC) monitoring	7.5%	Actual / Target x Weight	510
	SO 6	Improve Efficiency and Effectiveness of Processes as Stated in the Citizens' Charter and Operations Manual			

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COMPONENT		WEIGHT	RATING SYSTEM	2015 TARGET
SM 9	Issuance of Permit to Operate (PTO) for Business Enterprises in the JHSEZ upon receipt of complete requirements	5%	Actual / Target x Weight	30 mins. for renewal 10 calendar days for start up
Sub-total		20%		
SO 7	Establish Quality Management System			
SM 10	ISO Certification for all frontline services	5%	All or Nothing	ISO Certification 9001:2008 of all frontline services
SO 8	Improve Technology and Infrastructure Support			
SM 11	No. of processes automated	5%	Actual / Target x Weight	2 Financial Information System and Human Resource Information System
SO 9	Improve Knowledge and Skills, Professionalism and Career Development			
SM 12	Overall Training Spread Index	5%	Actual / Target x Weight	95%
Sub-total		15%		
TOTAL		100%		

LEARNING AND GROWTH

It is understood that the GOCC must achieve a weighted-average of at least 90% to be eligible to grant any Performance-Based Bonus.

4. **Strategic Initiatives.** – JHMC hereby commits to undertaking the following key programs and/or projects identified as having a significant impact on its Performance Scorecard (PES Form 2) attached hereto as **Annex B**, to wit:
- (a) Strategic Initiative 1 – Reconstruction of the Camp John Hay Mini-Hydro Power Plant;
 - (b) Strategic Initiative 2 – Amendment to Republic Act 9400;
 - (c) Strategic Initiative 3 – Job Fairs in the JHSEZ;
 - (d) Strategic Initiative 4 – Springs Development Project: Phase III;
 - (e) Strategic Initiative 5 – Preparation of a Forest and Watershed Management and Protection Program (FWMPP);
 - (f) Strategic Initiative 6 – Continuing Compliance to National Ambient Air Quality Standards on PM10 within the John Hay Special Economic Zone; and
 - (g) Strategic Initiative 7 – Marketing Events to Promote the Historical Core

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. JHMC shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – JHMC shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter using the monitoring report attached hereto as **Annex C**.

6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 namely:

6.1. *Conditions Common to National Government Agencies and GOCCs:*

- (a) Transparency Seal;
- (b) PhilGEPS Posting;
- (c) Cash Advance Liquidation;
- (d) Citizen's Charter or its equivalent; and
- (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Networth (SALN);

6.2. *Conditions Specific to GOCCs Covered by R.A. No. 10149:*

- (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable. Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision.
- (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
- (c) Adoption of a "*Manual of Corporate Governance*" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.
- (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
- (e) Adoption of a **NO GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.
- (f) Compliance with the deadlines and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to GCG MC No. 2014-02.
- (g) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to GCG MC. No. 2014-03 and implementing issuances pursuant thereto.
- (h) Submission of Corporate Operating Budgets (COBs):
 - i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National

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Budget Memorandum No. 120 on "Budget Call for FY 2015;"

- ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 120.
7. JHMC hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. JHMC shall determine the most effective method for accomplishing the said purpose. Such information shall be reported to GCG together with the quarterly monitoring report. The rating shall not affect the performance indicators/measures in JHMC's Performance Scorecard, and shall be used solely as a reference by GCG and JHMC during Performance Agreement Negotiations/Renegotiations.
8. JHMC shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, JHMC shall copy furnish the Governance Commission copies of all written communications between JHMC and COA on such matters, inform GCG of the schedule of its exit interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination.

Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to apply for the PBI, without prejudice to a further determination on the impact of the same on the GOCCs PBB application.
9. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 8th day of December 2014, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA
Chairman

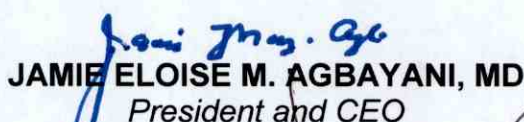


MA. ANGELA E. IGNACIO
Commissioner

**JOHN HAY MANAGEMENT
CORPORATION**

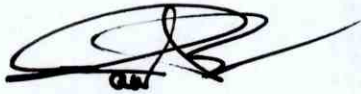


SILVESTRE C. AFABLE, JR.
Chairman



JAMIE ELOISE M. AGBAYANI, MD
President and CEO

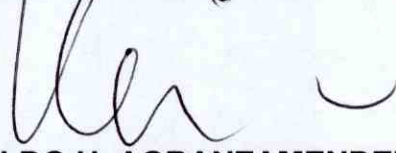




RAINIER B. BUTALID
Commissioner



ARNEL P. CASANOVA
*BCDA President and CEO and
Ex-Officio Board Member*



REYNALDO U. AGRANZAMENDEZ
Board Member



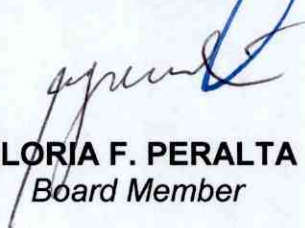
CATHERINE MARY R. BIAZON
Board Member



EMERITO P. MANALO
Board Member



CEASAR G. ORACION
Board Member



GLORIA F. PERALTA
Board Member



TEDDY ESTEBAN F. RIGOROSO
Board Member



ANTONIO H. TENGCO
Board Member



ALEXANDER L. BANGSOY
Board Member



JOHN HAY MANAGEMENT CORPORATION

		Component				Baseline Data (if applicable)		Target	
		Objective/Measure	Formula	Weight	Rating System	Data Provider	2013	2014	2015
SOCIAL IMPACT / STAKEHOLDERS	SO 1	Develop Camp John Hay as a Premier Tourist and Investment Destination							
	SM 1	Number of jobs generated in the JHSEZ	Absolute number	12.5%	Actual Increase / Target Increase x Weight		3,473	4,050	4,100
	SM 2	Gross sales of business enterprises within the JHSEZ	Absolute number	12.5%	Actual / Target x Weight		No Baseline Data Available	₱150 M	₱200 M
	SO 2	Ensure Sustainable Multiple Use of the Forest Watershed							
	SM 3	Issuance of ISO 14001 Environmental Management System	Based on milestone	10.0%	All or Nothing		No Baseline Data Available	No Baseline Data Available	- Research and thorough study on ISO 14001 Compliance Processes, procedures and standards (in-house) - Procurement of consultancy service for ISO 14001
	SM 4	Compliance of JHMC to National Ambient Air Quality Standards on Particulate Matter 10 (PM10) within the JHSEZ.	Non-exceedance in the JHMC set for Particulate Matter 10 (PM 10): less than 80µg/m3	10.0%	Actual / Target x Weight		11µg/ m3 (PM10)	22.95µg/ m3 (PM10)	less than 80µg/ Ncm (PM10)
	SO 3	Enforce Efficient and Effective Regulation in the Special Economic Zone							
	SM 5	Stakeholder's Satisfaction Survey	95% or better rating	10.0%	Actual / Target x Weight		No Baseline Data Available	87%	95%
		Sub-total		55%					

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	Component					Baseline Data (if applicable)		Target	
		Objective/Measure	Formula	Weight	Rating System	Data Provider	2013	2014	2015
FINANCIAL	SO 4	Increase JHMC Revenues to Attain Financial Viability							
	SM 6	Remittance of Collection from Lease rentals of BCDA Assets	Absolute number	10.0%	Actual / Target x Weight		₱25.8 M	₱16.4 M	₱27.3 M
		Sub-total		10%					
INTERNAL PROCESS	SO 5	Strengthen Compliance Monitoring of All Business Enterprises to the Rules and Regulations of the JHSEZ							
	SM 7	Frequency of Spot inspections per Business Enterprise	Average of 20 inspections per week	7.5%	Actual / Target x Weight		No Baseline Data Available	No Baseline Data Available	4,420
	SM 8	Frequency of Certificate of Environmental Compliance (CEC) monitoring	Average of 85 inspections every two (2) months	7.5%	Actual / Target x Weight		No Baseline Data Available	No Baseline Data Available	510
	SO 6	Improve Efficiency and Effectiveness of Processes as Stated in the Citizens' Charter and Operations Manual							
	SM 9	Issuance of Permit to Operate (PTO) for Business Enterprises in the JHSEZ upon receipt of complete requirements	For renewals: 30 minutes; For new/start-up business: 10 calendar days	5.0%	Actual / Target x Weight		20 mins. renewal and 30 days new application	30 mins. renewal and 10 calendar days for start-up	30 mins. for renewal 10 calendar days for start up
		Sub-total		20%					
LEARNING AND GROWTH	SO 7	Establish Quality Management System							
	SM 10	ISO Certification for all frontline services	Absolute number	5.0%	All or Nothing		No Baseline Data Available	6/6 process manualized	ISO Certification 9001:2008 of all frontline services
	SO 8	Improve Technology and Infrastructure Support							

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Component					Baseline Data (if applicable)		Target	
Objective/Measure	Formula	Weight	Rating System	Data Provider	2013	2014	2015	
SM 11	No. of processes automated	Absolute number	5.0%	Actual / Target x Weight		1	1	2 Financial Information System and Human Resource Information System
SO 9	Improve Knowledge and Skills, Professionalism and Career Development							
SM 12	Overall Training Spread Index	95% of total annual target	5.0%	Actual / Target x Weight		No Baseline Data Available	Average: 14.2 hours/employee	95%
	Sub-total		15%					
	TOTAL		100%					

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JOHN HAY MANAGEMENT CORPORATION

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVE PROFILE I

1. **Name of Project:** Reconstruction Of The Camp John Hay Mini-Hydro Power Plant – CY 2015-2016

2. **Contact Person/Project Team Head:**

Lead: Engr. Bobby V. Akia
 Engr. Manuel D. Sereño, Jr.
 Engr. Ferdinand L. Figuerres

3. **Project Description:**

The John Hay Mini Hydropower Plant is a run-off river type. It is located within the City of Baguio and the Municipality of Tuba, Benguet Province in a mountainous area of approximately 14 hectares of BCDA property. Its headrace from the intake weir to the power plant has an approximate length of about 2 kilometers. In the past, this power plant had a capacity of 488 kilowatts (KW) until it was severely damaged during the 1990 earthquake.

With the reconstruction of the plant, it is projected to generate between 1.5 to 2.5 megawatts (MW) of clean and renewable energy and will likewise contribute to additional revenue for the government. The conduct of a feasibility study is however necessary prior to the implementation of the project.

4. **Project Milestones:**

Activities	Timeline		Budget (in '000)	Funding Source	Status
	Start	End			
Approval in Principle by the Head of the Government Entity.	July 2014	Aug 2014			
Creation of a Joint Venture Selection Committee (JV-SC)	Sept 2014	Sept 2014			
Three-Stage Framework					
Stage I: Submission of unsolicited proposal	Oct 2014	Dec 2014			
Stage II:	Jan	Jan			

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Activities	Timeline		Budget (in '000)	Funding Source	Status
	Start	End			
The parties negotiate and agree on the terms and conditions of the JV activity.	2015	2015			
Publication for the invitation for comparative proposals	Feb 2015	Feb 2015	20	COB 2015	
Stage III: Competitive challenge	Mar 2015	Mar 2015			
Recommendation of Award by the JV-SC to the Head of the Government Entity.	Apr 2015	Apr 2015			
Decision to Award	Apr 2015	Apr 2015			
Notice of Award	Apr 2015	Apr 2015			
Other Approvals for Contract	May 2015	May 2015			
Execution/Approval of the JV Agreement	Jun 2015	Jun 2015			

5. Measures Affected:

- Remittance of revenues earned from BCDA assets

II. STRATEGIC INITIATIVE PROFILE II

1. Name of Project: Amendment To Republic Act 9400

2. Contact Person/Project Team Head:

Lead: Zaldy A. Bello

3. Project Description:

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The project aims to actively participate in the legislative process in amending the incentive provision of RA 9400 in order to revert back the status of the John Hay Special Economic Zone (JHSEZ) as a regular Economic Zone.

To provide the same fiscal incentives to existing and future locators inside the JHSEZ which is similar to the fiscal incentives being offered by other Economic and Freeport Zones under BCDA.

4. Project Milestones:

Activities	Timeline		Budget (in '000)	Funding Source	Status
	Start	End			
Submission of position paper with the proposed amendment to RA 9400 to the committee on Bases Conversion and Development Authority	June 2014	June 2014		2014 COB	
Submit and attend position paper(s) to all committee hearings in the House of Representatives (HOR or Lower House)	Jul. 2014	Sept. 2014	30	2014 COB	proposed
Attend the session of the first reading of the Bill in the Plenary (HOR)	Oct. 2014	Dec. 2014		2014 COB	proposed
Attend the session of the second reading of the Bill in the Plenary (HOR)	Jan. 2015	Feb. 2015		2015 COB	proposed
Attend and submit position papers to all committee hearings before	Mar.	Mar.	35	2015 COB	

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Activities	Timeline		Budget (in '000)	Funding Source	Status
	Start	End			
Submission of position paper with the proposed amendment to RA 9400 to the committee on Bases Conversion and Development Authority	June 2014	June 2014		2014 COB	
the third reading in the Plenary (HOR or Lower House)	2015	2015			
Third reading of the Bill and transmittal to the Senate (upper house)	Apr. 2015	May 2015		2015 COB	proposed
Attend the session of the first reading of the Bill in the Plenary (Senate)	Jun 2015	Jun 2015		2016 COB	proposed
Attend the session of the second reading of the Bill in the Plenary (Senate)	Jul. 2015	Sept 2015	35	2016 COB	

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Activities	Timeline		Budget (in '000)	Funding Source	Status
	Start	End			
Submission of position paper with the proposed amendment to RA 9400 to the committee on Bases Conversion and Development Authority	June 2014	June 2014		2014 COB	
Attend and submit position papers to all committee hearings before the third reading in the Plenary (Senate)	Oct. 2015	Oct. 2015		2016 COB	
Transmittal of the Bill to the Executive Dept, for signing of President of the Republic of the Philippines.	Oct 2015	Dec. 2015			
TOTAL	June 2014	Dec. 2015	100		

5. Measures Affected:

- Number of accredited enterprises in the JHSEZ
- Revenue generation from Regulatory Fees in JHSEZ
- Remittance of revenues earned from BCDA assets

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III. STRATEGIC INITIATIVE PROFILE III

1. Name of Project: Jobs Fairs In The JHSEZ

2. Contact Person/Project Team Head:

Lead: Zaldy A. Bello

3. Project Description:

The project aims to create employment within the BLISTT (Baguio City, La Trinidad, Itogon, Sablan, Tuba and Tublay) and the Cordillera Administrative Region through the conduct of Jobs Fair on a regular basis.

This project will be accomplished in coordination with the business enterprises/locators in the JHSEZ.

4. Project Milestones:

Activities	Timeline		Budget (in '000)	Funding Source	Status
	Start	End			
3 rd Quarter Locators meeting to set and discuss plans and programs with the Locators regarding the annual Jobs Fair for 2015	Sept 2014	Sept. 2014	25	2014 COB	
Coordination with DOLE, PESO, PEZA, John Business Club and various Universities and Colleges for the Jobs Fair	Sept. 2014	Dec 2014		2014 COB	
Coordination meetings with BPOs within JHSEZ, PEZA-Baguio City Economic Zone and PWDs	Oct 2014	Dec 2014	25	2014 COB	
Series of skills development Training workshops in partnership with	Jan 2015	Sept. 2015		2015 COB	Proposed

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Annual Jobs Fair (Oct 25, anniversary of Camp John Hay)	Oct 2015	Oct 2015	50	2015 COB	Proposed
At least twice a month publication of Labor Center updates for public awareness regarding the	Jan 2015	Dec 2015	50	2014 COB	Proposed
TOTAL	Sept 2014	Dec 2015	150		

5. Measures Affected:

- Increase in the number of jobs generated in the JHSEZ A

IV. STRATEGIC INITIATIVE PROFILE IV

1. Name of Project: Springs Development Project : Phase III

2. Contact Person/Project Team Head:

Lead: Engr. Editha Malong-Mejia

3. Project Description:

As stewards of about 52% of the forest cover of the City of Baguio, the Springs Development Project will contribute to further enhancing and preserving the forest and watershed through the sustainable development of the water resources in the John Hay Reservation Area (JHRA).

The feasibility study being undertaken in CY 2014 shall be the basis for the implementation of the Springs Development Project through a Public – Private Partnership for the Spring Development Project.

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4. Project Milestones:

Activities	Timeline		Budget (in '000)	Funding Source	Status
	Start	End			
a. Preparation of the water distribution development and business plan according to its highest and best use.	Jan 2015	Apr. 2015		2015 COB	Proposed
b. Construction phase	May 2015	Dec. 2015	TBD	2015 COB	Proposed
c. Operationalization and maintenance phase	Jan. 2016		TBD	2016 COB	Proposed
Total					

5. Measures Affected:

- Remittance of revenues earned from BCDA assets

V. STRATEGIC INITIATIVE PROFILE V

1. Name of Project: Preparation Of A Forest And Watershed Management And Protection Program (FWMPP)

2. Contact Person/Project Team Head:

Lead: Forester Alberto A. Banatao

3. Project Description:

Camp John Hay has a total land area of 625 hectares, with its forest and watershed areas comprising about 52% of the remaining forest cover of the City of Baguio. Through the years, this natural asset has been providing a myriad of benefits for the City and the neighboring municipalities in the Cordilleras, both economically and environmentally. For one, the good air quality index in the Camp is attributed to the protection and preservation of its dense Benguet Pine forest.

However, in consideration of the effects of climate change, global warming and the rapid growth in population, these have collectively posed imminent threats to the sustainable environment, forest and watersheds

In this regard, the implementation of a Forest and Watershed Management and Protection Program for Camp John Hay that will respond to the present challenges is of paramount importance. The project entails the assessment of the current state of the forest watershed

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and the institution of appropriate interventions to protect and sustain the forest and its environs.

4. Project Milestones:

Activities	Timeline		Budget (in '000)	Funding Source	Status
	Start	End			
1. Preparation of the Forest and Watershed Management and Protection Plan (FWMPP)	Jan. 2015	June 2015	800,000	2015 COB	Proposed
2. Implementation of the FWMPP	July 2015	Dec. 2015	2,500,000	2015 COB	Proposed
a) Implementation of the recommended pest and disease infestation/infection control measures.	July 2015	Dec. 2015			
b) <i>Sanitation cutting</i> operations	Jul. 2015	Dec. 2015			
c) Timber stand improvement (TSI) operations	Oct. 2015	Dec. 2015			
d) Reforestation of open and inadequately-stocked areas.	Jul. 2015	Oct. 2015			
e) Slope protection and gully rehabilitation projects	Oct. 2015	Dec. 2015			
f) Assisted natural regeneration (ANR) activities	Oct. 2015	Dec.			

Activities	Timeline		Budget (in '000)	Funding Source	Status
	Start	End			
g) Implementation of community-based livelihood projects.		2015			
h) Cutting of over-mature/diseased/and trees posing danger to lives and properties.	Oct. 2015	Dec. 2015			
	Oct. 2015	Dec. 2015			
i) Establishment and maintenance of firelines/ firebreaks.	Jul. 2015	Dec. 2015			
Note: The above-mentioned programs/projects implementation shall continue beyond CY 2015.					

5. Measures Affected:

- Compliance of JHMC to Environment and Forestry Standards, Laws, Rules and Regulation in JHSEZ

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**JOHN HAY MANAGEMENT CORPORATION
MONITORING REPORT OF PERFORMANCE TARGETS**

Component	Objective/Measure	Formula	Weight	Rating System	Baseline	1st Quarter		2nd Quarter		2015 Revised Full Year Target		3rd Quarter		4th Quarter	
					2014	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
SO 1	Develop Camp John Hay as a Premier Tourist and Investment Destination														
SM 1	Number of jobs generated in the JHSEZ	Absolute number	12.5%	Actual Increase / Target Increase x Weight	4,050	1,025		1,025				1,025		1,025	
SM 2	Gross sales of business enterprises within the JHSEZ	Absolute number	12.5%	Actual / Target x Weight	₱150 M	₱50 M		₱50 M				₱50 M		₱50 M	
SO 2	Ensure Sustainable Multiple Use of the Forest Watershed														
SM 3	Issuance of ISO 14001 Environmental Management System	Absolute number	10.0%	All or Nothing	No Baseline Data Available	Research and thorough study on ISO 14001 Compliance Processes, procedures and standards		Research and thorough study on ISO 14001 Compliance Processes, procedures and standards				Procurement of consultancy service for ISO 14001		Procurement of consultancy service for ISO 14001	

SOCIAL IMPACT / STAKEHOLDERS

Component					Baseline	1st Quarter		2nd Quarter		2015 Revised Full Year Target	3rd Quarter		4th Quarter	
Objective/Measure	Formula	Weight	Rating System	2014	Target	Actual	Target	Actual		Target	Actual	Target	Actual	
SM 4	Compliance of JHMC to National Ambient Air Quality Standards on Particulate Matter 10 (PM10) within the JHSEZ.	Non-exceedance in the JHMC set fro Particulate Matter 10 (PM 10): less than 80µg/m3	10.0%	Actual / Target x Weight	22.95µg/ m3 (PM10)		No scheduled DENR-EMB reading for the quarter		less than 80µg/ Ncm (PM10)			less than 80µg/ Ncm (PM10)		No scheduled DENR-EMB reading for the quarter
SO 3 Enforce Efficient and Effective Regulation in the Special Economic Zone														
SM 5	Stakeholder's Satisfaction Survey	95% or better rating	10.0%	Actual / Target x Weight	87%		95%		95%			95%		95%
Sub-total			55%											
SO 4 Increase JHMC Revenues to Attain Financial Viability														
SM 6	Remittance of Collection from Lease rentals of BCDA Assets	Absolute number	10.0%	Actual / Target x Weight	₱16.4 M		₱6.83 M		₱6.83 M			₱6.83 M		₱6.83 M
Sub-total			10%											
SO 5 Strengthen Compliance Monitoring of All Business Enterprises to the Rules and Regulations of the JHSEZ														
SM 7	Frequency of Spot inspections per Business Enterprise	Average of 20 inspections per week	7.5%	Actual / Target x Weight	No Baseline Data Available		at least 1,105 per quarter		at least 1,105 per quarter			at least 1,105 per quarter		at least 1,105 per quarter

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Component	Objective/Measure	Formula	Weight	Rating System	Baseline	1st Quarter		2nd Quarter		2015	3rd Quarter		4th Quarter		
					2014	Target	Actual	Target	Actual	Revised Full Year Target	Target	Actual	Target	Actual	
SM 8	Frequency of Environmental Compliance (CEC) monitoring	Average of 85 inspections every two (2) months	7.5%	Actual / Target x Weight	No Baseline Data Available	130		130				124		126	
SO 6	Improve Efficiency and Effectiveness of Processes as Stated in the Citizens' Charter and Operations Manual														
SM 9	Issuance of Permit to Operate (PTO) for Business Enterprises in the JHSEZ upon receipt of complete requirements	For renewals: 30 minutes; For new/start-up business: 10 calendar days	5.0%	Actual / Target x Weight	30 mins. renewal and 10 calendar days for start-up	30 mins. renewal and 5 calendar days for start-up		30 mins. renewal and 5 calendar days for start-up				30 mins. renewal and 5 calendar days for start-up		30 mins. renewal and 5 calendar days for start-up	
	Sub-total		20%												
SO 7	Establish Quality Management System														
SM 10	ISO Certification for all frontline services	Absolute number	5.0%	All or Nothing	6/6 process manualized	-		-				-		ISO Certification 9001:2008 of all frontline services	
SO 8	Improve Technology and Infrastructure Support														

LEARNING AND GROWTH

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Component					Baseline	1st Quarter		2nd Quarter		2015	3rd Quarter		4th Quarter	
Objective/Measure	Formula	Weight	Rating System	2014	Target	Actual	Target	Actual	Revised Full Year Target	Target	Actual	Target	Actual	
SM 11	No. of processes automated	Absolute number	5.0%	Actual / Target x Weight	1	-			2 (FIS and HRIS)		-		-	
SO 9	Improve Knowledge and Skills, Professionalism and Career Development													
SM 12	Overall Training Spread Index	95% of total annual target	5.0%	Actual / Target x Weight	Average: 14.2 hours/employee	16			14		14		13	
	Sub-total		15%											
	TOTAL		100%											

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ADDENDUM

This Addendum has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02 [Re-Issued])** between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

JOHN HAY MANAGEMENT CORPORATION (JHMC)

WHEREAS, the Parties above entered into a Performance Agreement covering CY 2014;

WHEREAS, Section 7.2 of GCG MC No. 2013-02 (Re-Issued) provides that “GOCCs can renegotiate the targets set in their Performance Agreements for the current year if the same are no longer feasible due to substantial changes in circumstances that could not have been foreseen at the time the targets were agreed upon.”

WHEREAS, the Parties agreed to renegotiate certain targets for CY 2014;

WITNESSETH: THAT –

1. JHMC's Performance Scorecard in its 2014 Performance Agreement is hereby amended pursuant to the attached **Renegotiated Performance Scorecard**.
2. All other conditions in the Performance Agreement shall remain effective, without prejudice to the application of future rules and regulations, such as but not limited to:
 - (a) Compliance with the deadlines and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to GCG MC No. 2014-02.
 - (b) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to GCG MC. No. 2014-03 and implementing issuances pursuant thereto.
 - (c) Submission of Corporate Operating Budgets (COBs):
 - i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National Budget Memorandum No. 120 on “Budget Call for FY 2015;”
 - ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 120.
3. JHMC shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, JHMC shall copy furnish the Governance Commission copies of all written communications between JHMC and COA on such

matters, inform GCG of the schedule of its exit interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination

Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to apply for the PBI, without prejudice to a further determination on the impact of the same on the GOCCs PBB application.

- Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 8th day of December 2014, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:


CESAR E. VILLANUEVA
Chairman


MA. ANGELA E. IGNACIO
Commissioner


RAINIER B. BUTALID
Commissioner

**JOHN HAY MANAGEMENT
CORPORATION**


SILVESTRE C. AFABLE, JR.
Chairman


JAMIE ELOISE M. AGBAYANI, MD
President and CEO


ARNEL P. CASANOVA
BCDA President and CEO and
Ex-Officio Board Member


REYNALDO U. AGRANZAMENDEZ
Board Member


CATHERINE MARY R. BIAZON
Board Member













EMERITO P. MANALO
Board Member

CEASAR G. ORACION
Board Member

GLORIA F. PERALTA
Board Member

TEDDY ESTEBAN F. RIGOROSO
Board Member

ANTONIO H. TENGCO
Board Member

ALEXANDER L. BANGSOY
Board Member

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RENEGOTIATED INTERIM PERFORMANCE SCORECARD 2014

JOHN HAY MANAGEMENT CORPORATION

Performance Measures					Baseline Data (if available)			Actual	Targets	
Description	Formula	Weight		Rating System	Data Provider if applicable	2010	2011	2012	2013	2014
		2013	2014							
MFO 1 : Asset Management Services										
Quantity 1: Number of Proposal/s for Barangay Segregation submitted to the BCDA Board	number of proposal/s	5%	5%	All or nothing	0	-	-	-	1 (Barangay Hillside)	1 (Barangay Upper Dagsian)
Quantity 2: Number of Commercial Project Proposals submitted to BCDA Board	number of proposal/s	5%	5%	All or nothing	0	-	-	-	1 (for 0.86 ha.)	1 (for 3 has)
Financial 1: Revenue generated from Ticket Sales at the Historical Core	amount in ₱	10%	10%	0	0	₱ .92 M	₱ .14 M	₱ 1.88 M	₱ 2.39 M	₱ 2.30 M
Financial 2: Remittance of Revenues Earned from BCDA assets	amount in ₱	10%	15%	0	0	₱ 35.00 M	₱ 23.09 M	₱ 24.70 M	₱ 25.78 M	₱ 26.24 M
Sub-total		30%	35%							
MFO 2 : Environment, Forest and Watershed Management										
Quality: Compliance of JHMC to Environment and Forestry Standards, Laws, Rules and Regulations in the John Hay Special Economic Zone (JHSEZ)	Zero Notices of Violation issued to JHMC by the MMT	10%	10%	0	DENR	Zero	Zero	Zero	Zero	Zero

RENEGOTIATED INTERIM PERFORMANCE SCORECARD 2014

Performance Measures					Baseline Data (if available)			Actual	Targets	
Description	Formula	Weight		Rating System	Data Provider if applicable	2010	2011	2012	2013	2014
		2013	2014							
Quantity 2: Compliance of JHMC to National Ambient Air Quality Standards on Particulate Matter 10 (PM10) within the JHSEZ	Non-exceedance to the standard national value set for Particulate Matter 10 (PM10)	10%	15%	0	DENR-EMB-CAR	less than 80µg/ Ncm (PM 10)	less than 80µg/ Ncm (PM 10)	less than 80µg/ Ncm (PM 10)	< 11µg/ Ncm (PM 10)	< 80µg/ Ncm (2 readings)
Sub-total		20%	25%							
MFO 3 : Regulatory Services										
Quantity 1: Number of Accredited Enterprise in the JHSEZ	Absolute number	5%	5%	0	0	69	78	103	110	115
Quantity 2: Increase in the number of jobs generated in the JHSEZ	Absolute number	5%	5%	0	0	826	1,410	2,691	3,473	3,900
Timeliness 1: Issuance of Permit to Operate (PTO) for Business Enterprises in the JHSEZ from the date of receipt of complete documents (For renewals: 30 mins. For new/start-up business: 30 calendar days)	For renewals: 30 minutes; For new/start-up business: 30 calendar days	5%	5%	0	0	0	0	1	18 mins. For renewal 2 calendar days for start up	30mins. For renewal 10 calendar days for start up
Timeliness 2: Issuance of Certificate of Environmental Compliance (CEC) in the JHSEZ	100 percent of application for CEC issued within 30 days	5%	5%	0	0	1	1	1	100% (73/73)	1

RENEGOTIATED INTERIM PERFORMANCE SCORECARD 2014

Description	Performance Measures Formula	Weight		Rating System	Data Provider if applicable	Baseline Data (if available)			Actual	Targets
		2013	2014			2010	2011	2012	2013	2014
		Financial 1: Revenue generation from Regulatory Fees in the JHSEZ	Increase in revenue from regulatory fees (in ₱)			10%	10%	0	0	₱ .95 M
Sub-total		30%	30%							
General Administrative Services (GAS)										
Quality 1: Number of processes manualized	Number of processes	7.5%	7.5%	0	0	-	-	2	4	6 out of 6 (SEZ, Finance, Environment, Administrative Services, Business Development, and Unified Security Shield processes)
Quality 2: Compliance Rate to Auditing Rules and Regulations	Number of COA observations Acted Upon / Number of COA Observations Raised	2.5%	2.5%	0	COA	100%	100%	100%	100%	100%
Sub-total		10%	10%							
TOTAL		100%	100%							

a/ But not to exceed the weight assigned per indicator