



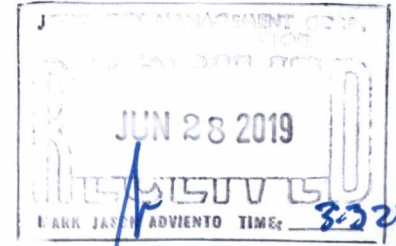
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13 June 2019

**MR. SILVESTRE C. AFABLE, JR.**  
 Chairperson

**MR. ALLAN R. GARCIA**  
 President and CEO (PCEO)

**JOHN HAY MANAGEMENT CORPORATION (JHMC)**  
 John Hay Special Economic Zone  
 Camp John Hay, Baguio City



**John Hay Management Corporation**  
 a member of the BCDA Group  
 OPCEO-JN-2019-703

**RE : VALIDATION RESULT OF 2018  
PERFORMANCE SCORECARD OF JHMC**

Dear Chairperson Afable and PCEO Garcia,

This is to formally transmit the validation result of JHMC's 2018 Performance Scorecard. Based on the validation of documentary submissions, JHMC gained an over-all score of **89.29%** (See **Annex A**). The same is to be posted in JHMC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07<sup>1</sup>.

In line with Item 2 of GCG M.C. No. 2017-01<sup>2</sup> particularly the achievement of a weighted-average score of at least 90% in its 2018 Performance Scorecard, JHMC is ineligible to grant the Performance Based Bonus (PBB) to its officers and employees. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149<sup>3</sup>.

Consequently, pursuant to GCG M.C. No. 2016-01<sup>4</sup>, failure to qualify for PBB means that the Appointive Members of the Governing Board of JHMC shall not be qualified to receive the Performance-Based Incentive (PBI).

**FOR YOUR INFORMATION AND GUIDANCE.**

Very truly yours,

**SAMUEL G. DAGPIN, JR.**  
 Chairman

**MICHAEL P. CLORIBEL**  
 Commissioner

**MARITES C. DORAL**  
 Commissioner

cc: COA Resident Auditor - JHMC

<sup>1</sup> Code of Corporate Governance for GOCCs dated 28 November 2012.  
<sup>2</sup> Interim Performance-Based Bonus, dated 09 June 2017.  
<sup>3</sup> GOCC Governance Act of 2011.  
<sup>4</sup> Compensation Framework for Members of the GOCC Governing Boards, dated 10 May 2016.

**JOHN HAY MANAGEMENT CORPORATION (JHMC)**  
**Validation Result of 2018 Performance Scorecard**

Component		Rating Scale	Target 2018	Submission		GCG Validation		Supporting Documents	GCG Remarks			
				Actual	Rating	Score	Rating					
Objective / Measure	Formula	Wt.										
<b>SO 1 Develop Camp John Hay as a Premier Tourist and Investment Destination</b>												
<b>CUSTOMERS/STAKEHOLDERS/SOCIAL IMPACT</b>	SM 1	Number of New Locators or Developmental Projects <sup>1</sup> Signed	Absolute number	10%	(Actual / Target) x Weight	4	4	10%	6	10%	<ul style="list-style-type: none"> <li>• Short Term Lease Contracts with: Spouses Reyes, Reviving Tradition Foods and Trading Corp.; Amalia R. Soriano; and Securities and Exchange Commission (SEC)</li> <li>• Certifications from Psalm Turkish Cuisine and Noodlerama Group, Inc.</li> </ul>	Validated accomplishment includes additional two locators not previously reported but with supporting documents
	SM 2	Number of Jobs Generated in the JHSEZ	Absolute number	10%	(Actual / Target) x Weight	6,300	6,106	9.69%	6,015	9.55%	<ul style="list-style-type: none"> <li>• Employment Report sgd. By SEZAD Manager</li> <li>• Employment Report from the Locators</li> </ul>	Supporting document only shows 6,073 jobs generated. Validated actual excludes 58 reported jobs

<sup>1</sup> Those which are designed to generate infrastructure and economic benefits to the JHSEZ.

## Validation Result of 2018 Performance Scorecard (Annex A)

Component		Formula	Wt.	Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective / Measure	2018				Actual	Rating	Score	Rating			
										<ul style="list-style-type: none"> <li>Certifications from Other Employment Sources in the JHSEZ</li> </ul>	generated due to deficiencies in the employment reports submitted, such as, lacking locator's signature and undated reports.
SM 3	Gross Sales of Business Enterprises within the JHSEZ	Absolute number	10%	(Actual / Target) x Weight	₱1.048 Billion	₱1.063 Billion	10%	₱1.084 Billion	10%	<ul style="list-style-type: none"> <li>Summary of the Gross Sales of the Business Enterprises</li> <li>Monthly Locators' Sales Report</li> </ul>	Validated actual based on the supporting documents
<b>SO 2</b>	<b>Ensure Sustainable Multiple Use of Forest Watershed</b>										
SM 4	Compliance to National Ambient Air Quality Standards on Particulate Matter 10 (PM 10) within the JHSEZ	Number of tests which resulted to Good Air Quality (0-54 µg/NCM) / Total number of tests	10%	All or Nothing	100% of tests resulted in Good Air Quality	8 out of 8 tests resulted in Good Air Quality <sup>2</sup>	10%	100% (8 out of 8 tests resulted in Good Air Quality)	10%	<ul style="list-style-type: none"> <li>Results from DENR-EMB on Quarterly Readings of Air Quality</li> </ul>	Acceptable.

<sup>2</sup> Q1 – Mile Hi = 22 µg/m<sup>3</sup> and Ayala = 25 µg/m<sup>3</sup>

Q2 – Mile Hi = 32 µg/m<sup>3</sup> and Ayala = 33 µg/m<sup>3</sup>

Validation Result of 2018 Performance Scorecard (Annex A)

Component			Rating Scale	Target 2018	Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective / Measure	Formula	Wt.			Actual	Rating	Score	Rating		
SO 3 Enforce Efficient and Effective Regulation in JHSEZ and JHRA										
SM 5	Percentage of Satisfied Customers	Number of respondents who rated at least Satisfactory (upper 2-boxes of a 5-point rating scale) / Total number of respondents	10%	(Actual / Target) x Weight  0% = If less than 80%	92% of respondents rated JHMC as Excellent and/or Very Satisfactory (upper two-boxes in a 5-point rating scale)	SLC submitted its report on 24 January 2019 stating that the customer satisfaction rating of JHMC for CY 2018 is 92.54%	10%	Report not acceptable.	0%	<ul style="list-style-type: none"> <li>Customer Satisfaction Survey report</li> <li>Samples of accomplished Questionnaires</li> </ul> <p>Interviews were conducted from January 15-24, 2019, but the survey should have been conducted in 2018. The sample size used is too small and was not compliant with Section IV Item 3d of the GCG Standard Methodology.</p>
<b>Sub-total</b>			<b>50%</b>				<b>49.69%</b>		<b>39.55%</b>	

Q3 – Mile Hi = 24 µg/m3 and Ayala Technohub = 5 µg/m3

Q4 – Mile Hi = 18 µg/m3 and Ayala Technohub = 1 µg/m3

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Validation Result of 2018 Performance Scorecard (Annex A)

	Component			Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
	Objective / Measure	Formula	Wt.		2018	Actual	Rating	Score	Rating			
FINANCIAL	SO 4 Increase JHMC Revenues to Attain Financial Viability											
	SM 6	Increase Internally Generated Revenue of JHMC	Actual amount	10%	(Actual / Target) x Weight  0% = If less than ₱6.43 Million	₱10.35 Million	₱11.82 Million	10%	₱10.63 Million	10%	<ul style="list-style-type: none"> <li>Notes to Unaudited Financial Statements (FS)</li> </ul>	The validated actual accomplishment was based on the information under the Notes to the 2018 unaudited FS.
	SM 7	Zone Revenue Collection Efficiency (Includes Business Center for CUSA Collection)	Actual collection / Total Zone Revenue due for collection	10%	(Actual / Target) x Weight  0% = If less than 85%	100%	100%	10%	103.78%	10%	<ul style="list-style-type: none"> <li>Estate Performance Revenue/ Expense Report (EPRER) as transmitted to BCDA per letter dated 23 April 2019</li> <li>Notes to the 2018 Unaudited FS</li> </ul>	Validated actual computed based on the breakdown of actual and projected collections under the Notes to the unaudited FS as cross referred to the EPRER.
	<b>Sub-total</b>		<b>20%</b>				<b>20%</b>		<b>20%</b>			

Validation Result of 2018 Performance Scorecard (Annex A)

Component			Rating Scale	Target 2018	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Wt.			Actual	Rating	Score	Rating			
INTERNAL PROCESS	SO 5 Improve Efficiency and Effectiveness of Processes										
	SM 8	Issuance of ISO 14001 Environmental Management System	Actual accomplishment	5%	All or Nothing	Certification under ISO 14001:2015 Standards	JHMC was recommended for re-certification for ISO 14001:2015 Standards on 28 December 2018	5%	Certification under ISO 14001:2015 Standards	5%	<ul style="list-style-type: none"> <li>• Attestation from AJA Philippines Inc. for ISO 14001:2015</li> <li>• Registration Certificate</li> <li>• Registration Schedule</li> </ul>
SM 9	Percentage of Regulatory Permits for Business Enterprises Issued within Applicable Processing Time <sup>3</sup>	Number of requests processed within applicable processing time / Total number of requests received	10%	$(\text{Actual} / \text{Target}) \times \text{Weight}$  <i>0% = if less than 95%</i>	100%	Total: <b>267/268</b> Regulatory Permits for Business Enterprises were issued within applicable processing time <sup>4</sup>	9.96%	97.39% (261 out of 268)	9.74%	<ul style="list-style-type: none"> <li>• Summary of Certificates of Environmental Compliance (CEC) issued</li> <li>• Copy of CECs</li> <li>• Summary of Mechanical Engineer (ME) Permits and Electrical Engineer Permits (EE) issued</li> <li>• Copy of MEs</li> <li>• Logbook of Permits to</li> </ul>	Validated accomplishment based on the supporting documents submitted.

<sup>3</sup> The applicable processing time are 15 working days for ME and EE, and 15 minutes for PTO renewal. Processing time begins from the receipt of complete requirements and end on the issuance of corresponding permit.

<sup>4</sup> 78 out of 79 CECs were issued and processed within 15 working days  
 57 out of 57 MEs were issued and processed within five (5) working days upon payment of annual fees  
 38 out of 38 EEs were issued and processed within five (5) working days upon payment of annual fees  
 94 out of 94 PTOs were processed within 15 minutes for renewal

Validation Result of 2018 Performance Scorecard (Annex A)

Component			Rating Scale	Target 2018	Submission		GCG Validation		Supporting Documents	GCG Remarks		
Objective / Measure	Formula	Wt.			Actual	Rating	Score	Rating				
									Operate (PTO) issued • Copy of PTOs issued			
<b>Sub-total</b>		<b>15%</b>				<b>14.96%</b>		<b>14.74%</b>				
<b>SO 6 Establish and Maintain the Quality Management System</b>												
LEARNING AND GROWTH	SM 10	Improve Processes to Quality Management System	Actual accomplishment	5%	All or nothing	Certification under ISO 9001:2015 Standards	JHMC was recommended for re-certification for ISO 9001:2015 Standards on 11 December 2018	5%	Certification under ISO 9001:2015 Standards	5%	<ul style="list-style-type: none"> <li>• Attestation from AJA Philippines Inc. for ISO 9001:2015</li> <li>• Registration Certificate</li> <li>• Registration Schedule</li> </ul>	Acceptable.
	<b>SO 7 Improve Technology and Infrastructure Support</b>											
	SM 11	Number of Processes Automated	Absolute number	5%	All or Nothing	2 (Roll out / Implementation of Board-approved ICT Disaster Recovery Plan, and Full roll out / Implementation of a Help Desk Information System)	1) The Disaster Recovery Plan was approved by the JHMC-BOD on 26 October 2018.  2) Rolled-out to JHMC employees as of 19 November 2018	5%	2 (Roll out / Implementation of Board-approved ICT Disaster Recovery Plan, and Full roll out / Implementation of a Help Desk Information System)	5%	<ul style="list-style-type: none"> <li>• Board Resolution No. 2018-1026-202 approving the ICT Disaster Recovery Plan (DRP) on 26 October 2018 and copy of the DRP</li> <li>• Attendance sheet for ICT DRP Orientation</li> </ul>	Acceptable.

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Validation Result of 2018 Performance Scorecard (Annex A)

Component			Rating Scale	Target 2018	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Wt.			Actual	Rating	Score	Rating			
									<ul style="list-style-type: none"> <li>• Certificate of Deployment and User Acceptance Test for Helpdesk Information System (HIS)</li> <li>• Attendance sheets on the conduct of training to roll-out the HIS</li> <li>• Internal Report on HIS Acceptance and Completion</li> <li>• HIS User Manual</li> </ul>		
<b>SO 8 Improve Knowledge and Skills, Professionalism and Career Development</b>											
SM 12	Percentage of Employees Meeting Required Competencies	Actual accomplishment	5%	All or Nothing	Improve Competency Baseline	The submitted report by HRSD indicated that 51.24% of the competency gaps identified in 2017 were improved in 2018.	5%	Five (5) or 10% of the fifty (50) employees with competency gaps identified in 2017 meets required competencies	5%	<ul style="list-style-type: none"> <li>• Copies of the 2017 and 2018 Competency Matrix forms</li> <li>• Summary reports</li> </ul>	Target met.
		<b>Sub-total</b>	<b>15%</b>				<b>15%</b>		<b>15%</b>		
		<b>TOTAL</b>	<b>100%</b>				<b>99.65%</b>		<b>89.29%</b>		

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