



Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
3/F, Citibank Center, 8741 Paseo De Roxas, Makati City, Philippines 1226



9 October 2020

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

**RE : APPEAL FOR RECONSIDERATION OF THE VALIDATION
RESULT OF 2017 PERFORMANCE SCORECARD OF JHMC**

Dear Chairperson Afable and PCEO Garcia:

This refers to the letter of JHMC dated 18 October 2019¹, transmitting its second request for reconsideration of the validation result for *Strategic Measure (SM) 1: "Number of New Locators or Projects Signed"* under the GCG-validated 2017 Performance Scorecard².

Review and evaluation of additional documents submitted are summarized in the Revalidated Result of 2017 Performance Scorecard attached as **Annex A**. Foregoing considered, the validated score is hereby **INCREASED** to **90.00%** out of 100%. JHMC is reminded that the validated Performance Scorecard shall be posted in JHMC's website, in accordance to GCG Memorandum Circular No. 2012-07³.

In relation to JHMC's application for the grant of Performance Based-Bonus (PBB) to its officers and employees, based on our records, JHMC was included in the list of non-compliant GOCCs on the Annual Procurement Compliance Performance Indicator (APCPI) given by AO25 Secretariat, and the dividends law as provided by the Department of Finance (DOF). In line with this, the JHMC is advised to coordinate directly with the AO25 Secretariat and DOF to secure the necessary clearance on the matter. Please note that the application for the grant of PBB may only commence upon GCG's receipt of complete documents.

FOR YOUR INFORMATION AND GUIDANCE.

Very truly yours,

cc: 1. COA Resident Auditor - JHMC
2. BCDA PCEO Vivencio B. Dizon

¹ Officially received by the Governance Commission on 22 October 2019.
² Officially received by the JHMC on 19 June 2018.
³ CODE OF CORPORATE GOVERNANCE OF GOCCs, dated 28 November 2012.

**JOHN HAY MANAGEMENT CORPORATION (JHMC)
Revalidated Result of 2017 Performance Scorecard**

Component				Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective / Measure	Formula	Wt.	Rating Scale	2017	Actual	Rating	Score	Rating		
SOCIAL IMPACT	SO 1	Develop Camp John Hay as a Premier Tourist and Investment Destination								
	SM 1	Number of New Locators or Projects Signed	Number of new locators or projects	10.0%	Actual / Target x Weight	3 New Projects	3 (IHG, EO, MyJOBS)	10%	3 (Spouses Reyes, M.Y.J.O.B, and SCRPI)	10%

Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure		Formula	Wt.	Rating Scale	2017	Actual	Rating	Score	Rating			
											<u>lease terms and conditions</u>	
SM 2	Number of Jobs Generated in the JHSEZ	Absolute number	10%	Actual / Target x Weight	5,800	5,830	10%	5,830	10%	<ul style="list-style-type: none"> Internal Memorandum from SEZAD to Corporate Planning re SEZAD 2017 Annual Report Employment Report by SEZAD Manager 2017 Monthly/Quarterly Employment Reports by the JHSEZ locators 	Request reconsideration for is ACCEPTED.	
SM 3	Gross Sales of Business Enterprises Within the JHSEZ	Absolute number	5%	Actual / Target x Weight	₱950 Million	967,475,905	5%	₱967,475,905	5%	<ul style="list-style-type: none"> Summary of Locators' Gross Sales by SEZAD Manager 2017 Monthly Locators' Sales Report (January to December) 2017 COA Audited Financial Statements and Accompanying Notes to FS 	Request reconsideration for is ACCEPTED.	

Component				Target	Submission		GCG Validation		Supporting Documents	GCG Remarks		
Objective / Measure	Formula	Wt.	Rating Scale	2017	Actual	Rating	Score	Rating				
SO 2 Ensure Sustainable Multiple Use of the Forest Watershed												
SM 4	Compliance of JHMC to National Ambient Air Quality Standards on Particulate Matter 10 (PM10) Within the JHSEZ	Number of tests which resulted in Good Air Quality (0-54µncm) / Total number of tests	5%	5 or More Tests with a Result of Good Air Quality: Actual / Target x Weight 3 Tests with a Result of Bad Air Quality: 0.00%	100% (8/8) of the tests resulted Good Quality	100% or 8 out of 8 tests resulted in Good Air Quality Index (Average PM 10 for CY 2017 = 28 µg/m3)	5%	100% (8/8) of the tests resulted Good Quality	5%	<ul style="list-style-type: none"> Results from DENR-EMB on Quarterly Readings of Air Quality 	Acceptable.	
Sub-total			30%				30%		30%			
SO 3 Enforce Efficient and Effective Regulation in the JHSEZ and JHRA												
STAKEHOLDERS	SM 5	Stakeholders' Satisfaction Survey	Number of stakeholders who rated Excellent or Very Satisfactory / Total number of stakeholders surveyed	10%	All or Nothing	92% of the Respondents Rated JHMC as Excellent and/or Very Satisfactory (1,532/1,651)	92.79% of the Respondents Rated JHMC as Excellent and/or Very Satisfactory (1,532/1,651)	10%	92.76% of the Respondents Rated JHMC as Excellent and/or Very Satisfactory (1,589/1,713)	10%	<ul style="list-style-type: none"> Environmental Awareness Activities Summary of Results and Accomplished Survey Questionnaires Quarterly Internal Customers Satisfaction Feedback Summary of Results and Accomplished Survey Questionnaires External Customer Satisfaction Feedback Summary of Results and 	Review of supporting documents revealed a difference between the reported accomplishment and the GCG's validated count, which was based on the evaluation of the submitted supporting documents. Nonetheless, the same does not significantly affect the rating of JHMC, which still exceeded the target.

Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Wt.	Rating Scale	2017	Actual	Rating	Score	Rating				
										Accomplished Survey Questionnaires		
Sub-total		10%				10%		10%				
FINANCIAL	SO 4	Increase JHMC Revenue to Attain Financial Viability										
	SM 6	Increase Internally Generated Revenue of JHMC	Actual amount in Million Pesos	10%	Higher than or Equal to 2016 Actual Revenue: Actual / Target x Weight Lower than 2016 Actual Revenue: 0.00%	₱9 Million	₱9,015,836	10%	₱9,015,836	10%	<ul style="list-style-type: none"> 2017 COA Audited Financial Statements and Accompanying Notes to FS 2017 Monthly Report of Collections and Deposits – General Funds (January to December) 	Request reconsideration for is ACCEPTED.
	SM 7	Zone Revenue Collection Efficiency (includes Business Center for CUSA collection)	Actual Collection / Total Zone Revenue for the year	10%	All or Nothing	100%	100%	10%	103.20%	10%	<ul style="list-style-type: none"> Quarterly Estate Performance Revenue / Expense Reports, as submitted to BCDA 	Request reconsideration for is ACCEPTED.
	Sub-total		20%					20%		20%		
INTERNAL PROCESS	SO 5	Improve Efficiency and Effectiveness of Processes										
	SM 8	Issuance of ISO 14001 Environmental Management System	Board-Approved Environmental Management System	10%	All or Nothing	Board-Approved Environmental Management System (Attain ISO 14001:2015)	The Contract for the Consultancy Services was for the Development of the JHMC-EMS Certifiable to	0%	None	0%	<ul style="list-style-type: none"> Summary of Accomplished Tasks Completed Staff Work Form for Procurement of Consultancy Services 	Target not met.

Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective / Measure		Formula	Wt.	Rating Scale	2017	Actual	Rating	Score	Rating		
					Certification by 2018)	ISO 14001:2015 was awarded to GAIA South, Incorporated				<ul style="list-style-type: none"> Draft Contract for Consultancy Services Secretary's Certificate of Board Resolution No. 2017-0424-061 Approving the TOR and Draft Contract for EMS 	
SM 9	Percentage of Permits to Operate (PTO) for Business Enterprises in the JHSEZ from the Date of Receipt of Complete Requirements Within the Applicable Processing Period	Total number of requests processed within TAT ¹ / Total requests made	10%	Actual / Target x Weight	100% of requests processed within the applicable time	100% of requests processed within applicable time (94 PTOs were renewed within 15 minutes / 94 total PTO requests)	10%	100% of requests processed within applicable time (94 PTOs were renewed within 15 minutes / 94 total PTO requests)	10%	<ul style="list-style-type: none"> Logbook of Issuances of Permits to Operate with signatures Issued Permits to Operate for renewal of existing business 	Request reconsideration <u>ACCEPTED.</u> for is
Sub-total			20%				10%		10%		
LEARNING AND GROWTH	SO 6	Establish Quality Management System									
	SM 10	ISO Certification for all Processes	ISO 9001:2008 Certification	7.5%	All or Nothing	Passed Surveillance Audit (Re-certification of ISO 9001:2008)	JHMC passes the 2 nd Surveillance Audit conducted on 20 February 2018, with six (6) observations recorded by the Certifying	7.5%	Passed Surveillance Audit (Re-certification of ISO 9001:2008)	7.5%	<ul style="list-style-type: none"> Audit Report issued by AJA Registrars

¹ Application for new business/start-up – 7 calendar days; Renewal of existing business – 15 minutes

Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective / Measure	Formula	Wt.	Rating Scale	2017	Actual	Rating	Score	Rating			
						Body with no Major or Minor Non-conformity.					
SO 7 Improve Technology and Infrastructure Support											
SM 11	Number of Processes Automated	Board-Approved ICT Road Map	5%	All or Nothing	Development of a Board-Approved ICT Road Map	The ICT Roadmap was presented and approved by the JHMC-BOD on August 29, 2017.	5%	Board-Approved ICT Road Map	5%	<ul style="list-style-type: none"> Secretary's Certificate for Board Resolution No. 2017-0829-152 dated 10 November 2017 ICT Roadmap Minutes of the 29 August 2017 Board meeting 	Request reconsideration for is ACCEPTED .
SO 8 Improve Knowledge and Skills, Professionalism and Career Development											
SM 12	Alignment of HR Policies with the Established Competency Model	Board-Approved Competency Baseline	7.5%	All or Nothing	Assess and Establish Competency Baseline of the Organization	On 20 November 2017, the proposed JHMC Competency baseline was approved subject to monthly review and update.	7.5%	Assess and Establish Competency Baseline of the Organization, approved by the Board	7.5%	<ul style="list-style-type: none"> Competency Model and Competency Baseline Competency Matrices Report on result of Competency Assessment Competency Assessment forms Secretary's Certificate of Board Resolution No. 2017-1120-203 dated 20 December 2017 	Request reconsideration for is ACCEPTED . Based on the competency assessment conducted by JHMC during the year, two (2) out of fifty-two (52), or 3.85% met the required competencies.

Component				Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure		Formula	Wt.	Rating Scale	2017	Actual	Rating	Score			Rating
										<ul style="list-style-type: none"> Minutes of the 20 November 2017 Board meeting 	
Sub-total			20%				20%		20%		
TOTAL			100%				90%		<u>90%</u>		