



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



**17 November 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 : VALIDATION RESULT OF 2019  
PERFORMANCE SCORECARD OF JHMC**

Dear Chairperson Afable and PCEO Garcia:

This is to formally transmit the validation result of JHMC's 2019 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, JHMC gained an over-all score of **82.83%** (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 relation to the grant of 2019 PBB to eligible officers and employees, JHMC fails to satisfy the requirements of GCG M.C. No. 2019-02<sup>2</sup> particularly the achievement of a weighted-average score of at least 90% in its 2019 Performance Scorecard. 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. 2018-04<sup>4</sup>, failure to qualify for the 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,

**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.

<sup>3</sup> GOCC GOVERNANCE ACT OF 2011.

<sup>4</sup> INTERIM PERFORMANCE-BASED INCENTIVE (PBI) SYSTEM FOR APPOINTIVE DIRECTORS OF GOCCS COVERED BY GCG FOR 2016 AND FOR THE YEARS THEREAFTER.

**OHN HAY MANAGEMENT CORPORATION (JHMC)  
Validation Result of 2019 Performance Scorecard**

Component			Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks		
Objective / Measure	Formula	Weight		2019	Actual	Rating	Score	Rating				
<b>SO 1 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	6	10%	5	10%	<ul style="list-style-type: none"> <li>• Short-Term Lease Agreement</li> <li>• Contract of Lease</li> <li>• Memorandum of Agreement</li> <li>• Permit to Operate</li> </ul>	It should be noted that the target refers to contracts or agreements signed during the year, regardless of the effectivity of lease contracts. Thus, one lease contract was excluded from the 2019 accomplishment since it was formally signed and perfected in 2018, and not in 2019.
	SM 2	Number of Jobs Generated in the JHSEZ	Absolute number	10%	(Actual / Target) x Weight	6,300	6,597	10%	6,048	9.60%	<ul style="list-style-type: none"> <li>• Reports on job generated</li> <li>• Copy of the Employment Reports from the Locators</li> </ul>	Validated accomplishment was based on the review of the locators' employment reports. The 549

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

Validation Result of 2019 Performance Scorecard (Annex A)

Component			Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure		Formula	Weight		2019	Actual	Rating	Score	Rating		
											difference in the reported accomplishment was excluded due to the absence of supporting documents.
SM 3	Gross Sales of Business Enterprises within the JHSEZ	Absolute number	10%	(Actual / Target) x Weight	₱1.152 Billion	₱1.096 Billion	9.51%	₱1.096 Billion	9.51%	<ul style="list-style-type: none"> <li>• Summary of the Total Sales per Locator</li> <li>• Locators' Monthly Sales Reports</li> </ul>	Acceptable.
<b>SO 2</b>	<b>Ensure Sustainable Multiple Use of the 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 in Good Air Quality (0-54 µg/NCM) / Total number of tests	10%	All or Nothing	100% of tests resulted in Good Air Quality	100% of tests resulted in Good Air Quality (8/8 readings resulted in Good Air Quality)	10%	100% of tests resulted in Good Air Quality (8/8 readings resulted in Good Air Quality)	10%	<ul style="list-style-type: none"> <li>• Results on Quarterly Ambient Air Quality Monitoring from the City Environment and Parks Management Office</li> </ul>	Acceptable.

Component			Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Weight		2019	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 / Total number of respondents	10%	(Actual / Target) x Weight  0% = If less than 80%	90%	92.54%	10%	92.38%	10%	<ul style="list-style-type: none"> <li>Final Report from Saint Louise College</li> <li>Samples of accomplished Survey Questionnaires</li> </ul>	Based on the final survey report, 97 out of 105 locators were either Very Satisfied or Satisfied with JHMC's services. But, but there are dimensions of these services that can still be further improved such as (a) improvement of the Camp facilities (roads, restrooms, signage, streetlights and trash bins), (b) improve the accessibility and functionality of the JHMC website inasmuch as many resort to transacting business with JHMC online, and (c) simplify or expedite procedures for transacting business with JHMC.

Component			Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Weight		2019	Actual	Rating	Score	Rating			
<b>Sub-total</b>		<b>50%</b>				<b>49.51%</b>		<b>49.11%</b>			
<b>SO 4 Increase JHMC Revenues to Attain Financial Viability</b>											
<b>FINANCIAL</b>	SM 6	Increase Internally Generated Revenue of JHMC	Actual amount	10%	(Actual / Target) x Weight  0% = If less than ₱9 Million	<u>₱19.90 Million</u>	₱11,212,516.74	9.42%	<u>₱19.23 Million</u>	9.66%	<ul style="list-style-type: none"> <li>JHMC Collection Summary Report</li> <li>Estate Performance Revenue / Expense Report (EPRER) as submitted to BCDA in a letter dated 12 March 2020</li> <li>BCDA Letter dated 06 November 2020 confirming the EPRER details</li> </ul> <p>The target was recomputed from ₱11.90 Million to correctly factor in the Common Use Service Areas (CUSA) Fee with a budgeted amount of ₱8.0 Million for 2019 per JHMC's submissions. While JHMC initially reported an accomplishment of ₱11.21 Million, it submitted a revised accomplishment of ₱19.23 Million (including CUSA) which was found acceptable.</p>
	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 95%	100%	100%	10%	109.54%	10%	

Validation Result of 2019 Performance Scorecard (Annex A)

Component			Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks		
Objective / Measure	Formula	Weight		2019	Actual	Rating	Score	Rating				
<b>Sub-total</b>		<b>20%</b>				<b>19.42%</b>		<b>19.66%</b>				
<b>INTERNAL PROCESS</b>	<b>SO 5 Improve Efficiency and Effectiveness of Processes</b>											
	SM 8	Issuance of ISO 14001 Environmental Management System	Actual accomplishment	5%	All or Nothing	Pass Surveillance Audit	Passed the Surveillance Audit	5%	Passed the Surveillance Audit	5%	<ul style="list-style-type: none"> <li>ISO 14001:2015 Surveillance Audit Report</li> </ul>	Target met.
	SM 9	Percentage of Regulatory Permits for Business Enterprises Issued within Applicable Processing Time <sup>2</sup>	Number of requests processed within applicable processing time / Total number of requests received	10%	(Actual / Target) x Weight  0% = if less than 95%	100%	100% of requests processed within the applicable processing time <sup>3</sup>	10%	92.75%	0%	<ul style="list-style-type: none"> <li>Report from Special Economic Zone Regulatory Information System (SEZRIS)</li> <li>List of Manually processed applications</li> <li>Certifications/ Permits</li> </ul>	Based on the evaluation of the submissions, it was identified that only 256 (92.75%) out of 276 applications were processed within the applicable time. Since this is below the 95% minimum threshold, a 0% rating was granted for this measure.
	<b>Sub-total</b>		<b>15%</b>				<b>15%</b>		<b>5%</b>			

<sup>2</sup> The applicable processing time for Certificate of Environmental Compliance (CEC), Annual Mechanical Engineer Permit, Electrical Engineer Permit, and Permit to Operate (New and Renewal) will depend on JHMC's compliance with Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018. Processing time begins from the receipt of complete requirements and end on the issuance of advice of payment.

<sup>3</sup> Total: 271/271 Regulatory Permits for Business Enterprises were issued within applicable processing time. 72/72 CECs were issued and processed within 15 working days; 61/61 Certificates of Mechanical Inspection and 42/42 Certificates of Annual Inspection were issued within five (5) working days upon payment of annual fees; 96/96 PTOs were processed within 15 minutes for renewal

Component			Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks		
Objective / Measure	Formula	Weight		2019	Actual	Rating	Score	Rating				
LEARNING AND GROWTH	<b>SO 6 Establish and Maintain the Quality Management System</b>											
	SM 10	ISO Certification for all Processes	Actual accomplishment	5%	All or Nothing	Pass Surveillance Audit	Passed the Surveillance Audit	5%	Passed Surveillance Audit	5%	<ul style="list-style-type: none"> <li>ISO 9001:2015 Surveillance Audit Report</li> </ul>	Acceptable.
	<b>SO 7 Improve Technology and Infrastructure</b>											
SM 11	Number of Processes Automated	Absolute number	5%	All or Nothing	Roll-out/ Implementation of the Board-approved Document Tracking System	The Board-approved Document Tracking System was rolled-out / implemented	5%	Unverifiable	0%	<ul style="list-style-type: none"> <li>Final Acceptance and Completion Report of DTS</li> <li>Contract for Consultancy Services</li> <li>User Acceptance Test</li> <li>Certificate of Deployment</li> <li>Computer Screenshots of the System</li> <li>Internal Memorandum with subject "Staff Meeting"</li> </ul>	JHMC's submissions only served as proof that the system was developed in 2019. However, no documentation was provided relevant to the roll out and implementation of the system.	

Component			Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Weight		2019	Actual	Rating	Score	Rating			
<b>SO 8</b>	<b>Improve Knowledge and Skills, Professionalism and Career Development</b>										
SM 12	Percentage of Employees Meeting Required Competencies	<u>Total number of competency gaps addressed in 2019 / Total number of remaining competency gaps as of 2018</u>	5%	(Actual / Target) x Weight	90% of gaps for competencies on Quality and Environmental Management System identified in the 2018 assessment are addressed	96.71% of gaps for competencies on Quality and Environmental Management System identified in the 2018 assessment addressed	5%	73% of gaps for competencies on Quality and Environmental Management System identified in the 2018 assessment were addressed	4.06%	<ul style="list-style-type: none"> <li>Internal Memorandum on JHMC's Competency Profile as of 2019</li> <li>Summary of Competency Assessment Results</li> <li>Competency Assessment Form per employee</li> </ul>	Validated accomplishment was computed based on the target that is the percentage of gaps addressed. Consequently, the formula was revised to correctly capture the target. Moreover, it was observed that the assessment conducted covered all the required competencies as they were all classified as either QMS, EMS, or QMS/EMS. Overall, 209 out of 285 competency gaps as of end of 2018 were addressed in 2019.
<b>Sub-total</b>		<b>15%</b>				<b>15%</b>		<b>9.06%</b>			
<b>TOTAL</b>		<b>100%</b>				<b>98.93%</b>		<b>82.83%</b>			