



21 December 2022

PMGEN. RUFINO G. IBAY, JR. (Ret.)

Acting Chairperson

MR. ALLAN A. GARCIA

President and CEO (PCEO)

JOHN HAY MANAGEMENT CORPORATION (JHMC)

John Hay Special Economic Zone
 Camp John Hay, Baguio City

RE : VALIDATION RESULT OF 2021 PERFORMANCE SCORECARD OF JHMC

Dear Acting Chairperson Ibay and PCEO Garcia,

This is to formally transmit the validation result of JHMC's 2021 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, JHMC garnered an overall score of **76%** (See **Annex A**). The same is to be posted on JHMC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

In relation to the grant of the 2021 Performance-Based Bonus (PBB) to eligible officers and employees, JHMC failed to satisfy the requirements of GCG M.C. No. 2019-02,² particularly the achievement of a weighted-average score of at least 90% in its 2021 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. 10149.³

Consequently, pursuant to GCG M.C. No. 2021-01,⁴ 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 JHMC'S INFORMATION AND GUIDANCE.

Very truly yours,

Justice ALEX L. QUIROZ (ret.)
Chairperson

Atty. GIDEON D.V. MORTEL, D.C.L.
Commissioner

Atty. GERALDINE MARIE BERBERABE-MARTINEZ
Commissioner

cc: COA Resident Auditor – JHMC

¹ Code of Corporate Governance for GOCCs, dated 28 November 2012.

² Interim Performance-Based Bonus (PBB) dated 25 July 2019.

³ GOCC Governance Act of 2011.

⁴ Interim Performance-Based Incentive (PBI) System for Appointive Directors of GOCCs covered by GCG for 2020 and for the Years Thereafter.

JOHN HAY MANAGEMENT CORPORATION (JHMC)
Validation Result 2021 Performance Scorecard

		Component				JHMC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure		Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating			
CUSTOMERS/STAKEHOLDERS & SOCIAL IMPACT	SO 1	John Hay as a Premier Tourist and Investment Destination										
	SM 1	Number of New Locators or Developmental Projects ⁵ Signed	Absolute Number	10%	(Actual / Target) x Weight	5	3	6%	3	6%	<ul style="list-style-type: none"> Copies of Permit to Operate (PTO) issued 	Acceptable.
	SM 2	Number of Jobs Generated in the JHSEZ	Total Number of Jobs Generated by Locators for the Year / 12 months	10%	(Actual / Target) x Weight	4,720	5,484	10%	5,485	10%	<ul style="list-style-type: none"> Summary of Employment Reports for 2021 Employment Reports generated from the SEZRIS Employment Reports submitted by locators 	Acceptable. Total employment for 2021 reached 65,819.
	SM 3	Gross Sales of Business Enterprises	Actual amount	10%	(Actual / Target) x Weight	₱626 million	₱661,601,033.42	10%	₱661.601 Million	10%	<ul style="list-style-type: none"> Consolidated Locators' Sales Report 	Acceptable

⁵ Pertains to projects which are designed to generate infrastructure and economic benefits to the JHSEZ.

Validation Result of 2021 Performance Scorecard (Annex A)

Component					JHMC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating			
	within the JHSEZ								<ul style="list-style-type: none"> • Locators' Monthly Sales Report 		
SO 2	Ensure Sustainable Multiple Use of Forest Watershed										
SM 4	Compliance to National Ambient Air Quality Standards on Particulate Matter 10 (PM10) within the JHSEZ	Number of tests which resulted in Good Air Quality (0-54µg/NCM) / Total number of tests	10%	All or Nothing	100% of tests resulted in Good Air Quality	100% tests resulted in Good Air Quality (Nine (9) Ambient Air Monitoring was conducted that resulted to Good Air Quality: July 12 to 13, 2021; August 12-13, 2021; December 22-23, 2021; December 23-24, 2021; December 24-25, 2021; December 25-26, 2021; December 26-27; December 27-28; and December 28-29, 2021)	10%	Unverifiable	0%	<ul style="list-style-type: none"> • Raw data generated from the machine • MOA with DENR Environmental Management Bureau (DENR-EMB) CAR • Letter to DENR-EMB CAR requesting for conduct of testing 	As relayed during the onsite visit, the raw data generated from the machine is insufficient, given that the analysis requires technical expertise. Instead, a narrative report providing the interpretation of an expert, the same report submitted by JHMC in previous years' validation, is the acceptable supporting document.
SO 3	Enforce Efficient and Effective Regulation in JHSEZ and JHRA										

Validation Result of 2021 Performance Scorecard (Annex A)

		Component				JHMC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating				
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%	85%	92.67%	10%	92.68%	10%	<ul style="list-style-type: none"> Customer Satisfaction Survey for CY 2021 Sample questionnaires 	Acceptable. Survey only covered locators inside the JHSEZ.	
Sub-total			50%				46%		36%			
SO 4 Increase JHMC Revenues to Attain Financial Viability												
FINANCIAL	SM 6	Increase Internally Generated Revenue of JHMC	Actual amount of revenue collections	10%	(Actual / Target) x Weight 0% = If less than 50% of the target amount	₱8.718 Million	₱11,290,716	10%	₱11.16 Million	10%	<ul style="list-style-type: none"> Estate Performance Revenue/ Expense Report (EPRER) for as submitted to BCDA Collection Report Computation of Internally Generated Revenue 	The validated amount excludes the reported collection for Filinvest Hospitality Corp for 2020
	SM 7	Zone Revenue Collection Efficiency (Includes Business Center for	Actual collection / Total Zone Revenue due for collection (both to	10%	(Actual / Target) x Weight	65%	93.63%	10%	73.23%	10%	<ul style="list-style-type: none"> Estate Performance Revenue/ Expense Report (EPRER) for as 	The total due for collection based on the EPRER amounted to ₱66.04 Million. The amount for collection only

Validation Result of 2021 Performance Scorecard (Annex A)

		Component				JHMC Submission		GCG Validation		Supporting Documents	Remarks	
		Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual			Rating
		CUSA Collection)	exclude advance payments and penalties collected)		0% = If less than 50%					submitted to BCDA • Collection Report	includes those that are due for 2021, excluding advance payments and penalties. Actual collection per validation amounted to ₱48.36 Million. Actual collection only consists of those programmed to be collected for the year. Computation is attached as Appendix 1.	
		Sub-total		20%			20%		20%			
INTERNAL PROCESS	SO 5	Improve Efficiency and Effectiveness of Process										
	SM 8	Issuance of ISO 14001 Environmental Management System	Actual accomplishment	5%	All or Nothing	Re-Certification under ISO 14001:2015 Standards	Passed the re-certification audit conducted on 28 December 2021	5%	Passed the re-certification audit	5%	• Attestation Certificate issued by SOCOTEC Certification International	Acceptable. JHMC is directed to publish the EMS Certificate in its website.
	SM 9	Percentage of Regulatory Permits for Business Enterprises Issued within Applicable	Number of requests processed within applicable processing time / Total number of requests received	10%	(Actual / Target) x Weight 0% = If less than 90%	100%	97.30% (3,095 out of 3,182) Regulatory Permits for Business Enterprises were issued within the applicable processing time	9.73%	Unverifiable	0%	• Summary Report from SEZRIS • Logbook of PTO's issued • Certifications / Permits	During the onsite visit, GCG representatives discovered that there were applications that were denied or returned due to incomplete documentation. As clarified, returned or denied applications

Validation Result of 2021 Performance Scorecard (Annex A)

Component					JHMC Submission		GCG Validation		Supporting Documents	Remarks
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating		
Processing Time ⁶										<p>were not reflected or included in the report submitted to GCG. Hence, it was advised that the reports submitted to GCG should be revised to include all applications processed, including those that were denied or returned.</p> <p>However, in its letter dated 18 October 2022, JHMC explained that it is unable to contact the third-party developer to extract data from the back-end of the system. JHMC thus informed that it "will revise the summary report for Type A permits once the extracted report of denied applications be provided from the backend by the new system developer".</p> <p>Considering that the requirement of the measure is to determine the total</p>

⁶ The applicable processing time for JHMC’s services, including, but not limited to, the issuance of Certificate of Environmental Compliance, 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 ends upon the issuance of the permit/certification.

Validation Result of 2021 Performance Scorecard (Annex A)

Component						JHMC Submission		GCG Validation		Supporting Documents	Remarks
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating			
											number of permits processed out of the total applications, the reported accomplishment cannot be validated sans the complete reports and supporting documents.
SO 6	Establish and Maintain the Quality Management System										
SM 10	ISO Certification for all Processes	Actual accomplishment	5%	All or Nothing	Re-Certification under ISO 9001:2015 Standards	Passed the Re-certification audit conducted on 03 November 2021	5%	ISO 9001:2015 Certification maintained	5%	<ul style="list-style-type: none"> • Certificate issued by SOCOTEC Certification International 	Certificate no. SCP000466Q covers the scope of Public administration, covering JHMC's core processes such as Business Development and Events Management, Provision of Regulatory Services, Forest and Environment Management, and Land and Asset Management.
SO 7	Improve Technology and Infrastructure										
SM 11	Number of Processes Automated	Absolute number	5%	All or Nothing	1 [Roll out / Implementation of the Environment	Orientation and roll-out of the system to the end-user was conducted on November 18, 2021	5%	Roll-out of Environment and Forest Management Information	5%	<ul style="list-style-type: none"> • EFMS Report/ User Manual submitted by its third-party consultant, 	Acceptable.

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Validation Result of 2021 Performance Scorecard (Annex A)

Component						JHMC Submission		GCG Validation		Supporting Documents	Remarks
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating			
				and Forest Management Information System (EFMIS)]			System (EFMIS)]			MyBusyBee Inc., • Attendance Sheet of the Orientation to the end-user held on 18 November 2021, • Certificate of Completion and Acceptance, • Sample of EFMIS Generated Reports, and • Screen captures of the user-interface	
	Sub-total										
	SO 8	Improve Knowledge and Skills, Professionalism and Career Development									

Validation Result of 2021 Performance Scorecard (Annex A)

Component					JHMC Submission		GCG Validation		Supporting Documents	Remarks		
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Actual	Rating				
LEARNING AND GROWTH	SM 12	Improvement on the Competency Baseline of the Organization	Actual Accomplishment	5%	All or Nothing	Improve Competency Baseline of the Organization ⁷	Improved Competency Baseline of the Organization	5%	Competency baseline of the Organization improved by 2.04%	5%	<ul style="list-style-type: none"> Competency Assessment Report for CY 2021, Competency Assessment Matrixes for CY 2020 and 2021 Individual Competency Assessment forms 	Acceptable. 53 employees met the required competencies per their respective positions, while 3 employees (2 newly hired and 1 promoted employee) were identified to have competency gaps which will be addressed in 2022.
	Sub-total			5%				5%		5%		
	TOTAL				100%				95.73%		76%	

⁷ Improvement in the competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{b=1}^B \left[\frac{\sum_{a=1}^A (\text{Actual Competency Level})}{A} \right]}{B}$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled