

### Date and Time



**PHILIPPINE NATIONAL  
CONSTRUCTION CORPORATION**

11 November 2019

Ref.No.: OP-MEU-2019-087L

**MR. SAMUEL G. DAGPIN, JR.**

*Chairman*

**MR. MICHAEL P. CLORIBEL**

*Commissioner*

**MS. MARITES C. DORAL**

*Commissioner*

**GOVERNANCE COMMISSION FOR GOCCs**

3<sup>rd</sup> Floor Citibank Center, 8741 Paseo De Roxas,  
Makati City, Philippines



**Subject: PERFORMANCE EVALUATION SYSTEM (PES) FOR CY 2019**

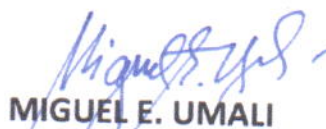
**Gentlemen:**

In compliance with your letter dated February 6, 2019 regarding the above-stated subject, we transmit herewith the Performance Evaluation System (PES) Monitoring Report for the third quarter of the Calendar Year 2019.

We trust that you will find the foregoing submission to be in order.

Thank you for your kind consideration.

Very truly yours,

  
**MIGUEL E. UMALI**  
President and CEO

W/att.



# PHILIPPINE NATIONAL CONSTRUCTION CORPORATION

	OBJECTIVE / MEASURES	FORMULA	WEIGHT	RATING SCALE	2019		Realization Rate (%) vs. Target	Weighted Average	
					Target	3 <sup>rd</sup> QUARTER ACCOMPLISHMENT			
CUSTOMERS / STAKEHOLDERS	SO 1	Maximize Stakeholder Value							
	SM1	Construction and Development of Real Properties							
		Porac	Actual Accomplishment	4%	All or Nothing	Signed Lease Contract for Porac Property	Signed Lease Contract with Tokogawa Global Corp. on January 30, 2019	4%	4%
		FCA	Actual Accomplishment	4%	All or Nothing	Signed Lease Contract for the 3 Areas in FCA Property	FCA 1 – 3 has. (PCPI) • Contract of Lease between PNCC and PCPI was signed on October 8, 2019. (See Annex A)		
		FCA 2 – 1 ha. and FCA 3 – 8.9 has. • Awaiting clearance from the Office of the President of the Philippines on the planned open bidding for the lease and development of the subject property.							
	Bicutan	Actual Accomplishment	4%	All or Nothing	Disposition of Bicutan Property	Awaiting instruction from the Board			
	SM2	Percentage of Satisfied Customers		8%	Actual/Target x Weight 0% = If less than 80%	90%	Satisfaction Survey will be conducted at end of 2019.		
	SUBTOTAL			20%			4%	4%	
SO 2	Establish Sound Legal and Ethical Internal Investment Framework								
SM 3	Expansion of Presidential Decree (P.D.) 1894	Actual Accomplishment	5%	All or Nothing	Filing of Bill for the Amendment of P.D. 1894	No update yet			
INTERNAL PROCESS	SO 3	Improve Internal Systems and Procedures							
	SM 4	ISO Certification	Actual Accomplishment	6%	All or Nothing	ISO Certification 9001:2015	<ul style="list-style-type: none"><li>The ISO Core Team determined the core processes for QMS such as Tollway Development, Realty Management and Manpower Service, corresponding business process map was crafted, reviewed and approved (see Annex B-1, B-2 and B-3)</li><li>As reference to QMS, Citizen's Charter was crafted, reviewed and approved, subsequently approved by the Board on July 17, 2019 (see Annex C)</li></ul>		

As of 30 September 2019



	OBJECTIVE / MEASURES	FORMULA	WEIGHT	RATING SCALE	2019		Realization Rate (%) vs. Target	Weighted Average
					Target	2 <sup>nd</sup> QUARTER ACCOMPLISHMENT		
						<ul style="list-style-type: none"> <li>ISO Core Team and selected process owner attended the ISO 9001:2015 Internal Auditor Training (Process Risk and Performance Based Approach) on September 3-4, 2019. (see Annex D)</li> <li>The QMR/President and CEO appointed the Internal Quality Auditors for QMS. (see Annex E)</li> <li>Initial meeting of the Internal Quality Auditors was held on September 11, 2019 to discussed their duties and responsibilities and the IQA procedure. (see Annex F)</li> </ul>		
<b>SO 4 Enhance Mobility of People and Commerce</b>								
<i>Construction and Development of Expressway</i>								
SM 5	a. Pasig River Expressway Project (PAREX)	Actual Accomplishment	5%	All or Nothing	Memorandum of Agreement on PAREX Submitted to the NEDA and GCG for Approval	<ul style="list-style-type: none"> <li>Awaiting the approval of the Office of the President of the Philippines of the Assignment of Usufruct for the project</li> </ul>		
	b. Lucena-Matnog Expressway / SLEX TR5	Actual Accomplishment	5%	All or Nothing	Approval of Joint Investment Proposal	<ul style="list-style-type: none"> <li>PNCC designated its representatives who shall discuss and negotiate with TRB the STOA for the project (See Annex G-1) which was subsequently responded by TRB on 3 September 2019 (See Annex G-2)</li> </ul>		
	c. Bulacan-Tuguegarao Expressway (BUTEX)	Actual Accomplishment	5%	All or Nothing	Signed Memorandum of Agreement (MOA) on BUTEX	No update yet		
INTERNAL PROCESS	<i>Increased Annual Daily Traffic</i>							
	SM 6	a. Buendia-Plaza Dilao	Actual Accomplishment	a. i. 1% ii. 1% iii. 1% iv. 1% b. 5%	All or Nothing	Completion of Segmental Works: i. San Juan River ii. Section 3 iii. Section 4 iv. Balintawak	No update yet, awaiting the updated Gantt Chart from JV partner	
		b. FTI-Bicutan	Actual Accomplishment	5%	All or Nothing	5% of Segment 1 Completed	No update yet	
	<b>Sub – total</b>		<b>40%</b>				5%	5%

	OBJECTIVE / MEASURES		FORMULA	WEIGHT	RATING SCALE	2019				
						Target	2 <sup>nd</sup> QUARTER ACCOMPLISHMENT			
LEARNING & GROWTH	SO 5 Reinforce Collection System									
	SM 7	Percentage of Receivables Collected	Actual Accomplishment	5%	(Actual / Target) x Weight	Collection of at Least 10% of Judgement / Monetary Award	Collected ₱100,058,945.34 from Manila International Airport Authority (MIAA) on March 20, 2019.Collection corresponds to 100% of Judgement Award based on COA Decision dated June 14, 2016.	5%	5%	
	SO 6 Improved Equity and Debt Management Service Strategies									
	SM 8	Revenues	Service Income + Rental Lease Income + Share in JVAs + Dividend Income + Interest Income	10%	(Actual / Target) x Weight	8% Increase from 2018 Revenues	3 <sup>rd</sup> Q 2019 – ₱200,871,625.87 3 <sup>rd</sup> Q 2018 – ₱242,068,690.34 Noted a decrease due to the decrease on rental income from FCA property			
	SM 9	Lease Income	Actual Amount	5%	(Actual / Target) x Weight	13% increase from 2018 Lease Income	3 <sup>rd</sup> Q 2019 – ₱19,954,885.32 3 <sup>rd</sup> Q 2018 – ₱65,986,689.85 Noted a decrease due to decrease from rental income from FCA			
	SM 10	Earnings before Interest, Tax, Depreciation, and Amortization (EBITDA)	Net Income (before Other Comprehensive Income/Loss, Gains and other Non-Operating Income) + Depreciation + Income Taxes + Interest Expense	10%	(Actual / Target) x Weight	Positive EBITDA	3 <sup>rd</sup> Q 2018 – ₱154,708,258.85 3 <sup>rd</sup> Q 2019 – ₱114,068,861.39	10%	10%	
	SM 11	Conversion of Debt-to-Equity	Actual Accomplishment	3%	All or Nothing	Negotiation of Terms of Debt Payment with PMO	No update yet			
		Sub – total		33%				15%	15%	
	SO 7 Development of Manpower									
	SM 12	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	7%	All or Nothing	Board-approved Competency Framework	No update yet			
	Sub – total		7%							
	TOTAL		100%				24%	24%		