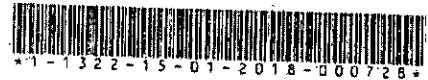




Office of the President of the Philippines  
**GOVERNANCE COMMISSION**  
 FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS  
 3/F, Citibank Center, 8741 Paseo De Roxas, Makati City, Philippines 1226



Management System  
 ISO 9001:2008  
 TUV Rheinland  
 CERTIFIED

21 December 2017

PPA-HO RCVD BY\_\_\_\_  
 JAN 17 2018 AM8:31

**ATTY. ARTHUR P. TUGADE**  
*Chairman and DOTr Secretary*  
**ATTY. JAY DANIEL R. SANTIAGO**  
*General Manager*  
**PHILIPPINE PORTS AUTHORITY (PPA)**  
 Bonifacio Drive, South Harbor  
 Port Area, Manila

**RE : VALIDATION RESULT OF THE CY 2016  
PERFORMANCE SCORECARD OF PPA**

Dear Sec. Tugade and GM Santiago,

This is to formally transmit the validation result of the PPA's CY 2016 Performance Scorecard. Based on the Governance Commission's validation of documentary submissions and conduct of on-site validation on 24 May 2017, the PPA gained an over-all score of **90.87%** (See **Annex A**).

In relation to its application for the grant of CY 2016 PBB to eligible officers and employees, the PPA can grant such incentive only upon receipt of confirmation letter from the Governance Commission. In this regard, the Board is reminded that any unilateral action to release the PBB before the confirmation 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>1</sup>

**FOR YOUR INFORMATION AND GUIDANCE.**

Very truly yours,

**SAMUEL G. DASPIN JR.**  
*Chairman*

**MICHAEL P. CLORIBEL**  
*Commissioner*

**MARITES CRUZ-DORAL**  
*Commissioner*

cc: COA Resident Auditor - PPA

<sup>1</sup> GOCC Governance Act of 2011.

PHILIPPINE PORTS AUTHORITY  
2016 Performance Scorecard

Component		PPA Submission			CEO-B Evaluation			Supporting Documents	Remarks
Objective/Milestone	Formula	Weight	Rating System	Target	Actual	Rating	Score	Rating	
<b>SD 1: Contribute Significantly to Increased Trade and Logistics</b>									
SM 1	% Increase in Cargo Throughput (in Million Metric Tons/Annum)	Absolute Figure	1%	Actual/Target x Weight	0.45% (234.08) 2015 Baseline: 224	1%	10.26% (246.99)	1%	Domestic 95.33 Foreign 151.67 Import 84.72 Export 66.95 Total 246.99
SM 2	% Increase in Number of Vessels (in Thousand Vessels)	Absolute Figure	2%	Actual/Target x Weight	1.12% (399.42) 2015 Baseline: 395	2%	9.46% (432.37)	2%	Domestic 420.12 Foreign 12.25 Total 432.37
SM 3	% Increase in Passengers (in Million Passengers)	Absolute Figure	2%	Actual/Target x Weight	5.00% (65.88) 2015 Baseline: 62.74	2%	9.72% (68.84)	2%	Disembarked 35.57 Embarked 33.27
<b>SD 2: Enhance Accessibility Through Seamless Connectivity with Other Transport Modes</b>									
SM 4	Institutional Support to Social Reform Projects to Promote Tourism and Economic Development Agenda of Government	% completion of DOT-approved Tourism and Social Reform-related Port Projects bidded-out	7.5%	Actual/Target x Weight	100% (47 Tourism and Social Reform-related Port Projects bidded-out in 2016 (regardless of bid result))	5.43%	76.60% (36 Projects)	5.74%	- Status Report on DOT-Proposed Projects - Notices of Award - Requests for Renegotiation

SOCIAL IMPACT

Objective Measure		Formula	Weight	Rating System	Target	Actual	Rating	Score	Rating	Supporting Documents	Remarks
SM 5	Future Proofing Gateway Ports	% Completion of additional ports with modern container handling facilities (Iloilo & Cagayan de Oro)	5%	Actual/Target x Weight	20% per schedule of Civil Works (General Santos and Iloilo)	49.83% General Santos 64.54% Iloilo	5%	49.83% General Santos 64.54% Iloilo	5%	- Project Accomplishment Reports - Photographs	Target date of accomplishment for both ports will be by the end of CY 2017.
	<b>Sub-total</b>		<b>17.5%</b>				<b>15.43%</b>		<b>15.74%</b>		
<b>Basic Financially Supportive Development Program</b>											
SM 6	Percent Increase in Port Revenue	(Current year - Prior year) / Prior year	10%	Actual/Target x Weight	5.00% (P13.95)	P14.23 Billion	10%	7.07% P14.23 Billion	10%	- PPA 2016 Unaudited FS as submitted to COA	Increase in ICTSI and ATI dues by P881 Million.
SM 7	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	EBITDA (In Billion Pesos)	0%	Actual/Target x Weight	P5.07 Billion	P9.28 Billion	0%	P9.28 billion	0%	- PPA 2016 Unaudited FS as submitted to COA	Target exceeded by 83% or P4.21 Billion.
	<b>Sub-total</b>		<b>10%</b>				<b>10%</b>		<b>10%</b>		
<b>Operational and Environmental Sustainability</b>											
SM 8	Number of Ports with Complete Compliance with Recognition Requirements for Port Safety, Health and Environment Management System (PSHEMS) Issued by the Partnership in Environmental Management of Seas in East Asia (PEMSEA)	Number of Ports	5%	Actual/Target x Weight	+2 Ports Zamboanga and Ozamiz	16 Ports completed Internal Audit with QMS	5%	-	N/A	- Internal Audit Reports	PPA has made a shift to the Integrated Management System (IMS) which combines QMS and PSHEMS standards for cost effectiveness and efficiency. Measure is excluded.

FINANCIAL

STAKEHOLDERS

Compliment		PPA Submission			Ccb-B Evaluation			Supporting Documents		Remarks
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Score	Rating		
SM 9	Attainment of Minimum Satisfactory Rating on the Port Users' Needs and Satisfaction Survey (PUNSS)	Refer to rating system used in the survey	5%	All or Nothing	PUNSS Result with Minimum Satisfactory Rating of 3.75%	3.79%	5.00%	5.00%	- Copy of Final Report drafted by Development Academy of the Philippines	Overall Port Users' Annual Satisfaction Survey Rating is 3.79%, an average from the satisfaction ratings of Passengers and Shipping Lines with 3.76% and 3.81% respectively.
	<b>Sub-total</b>		10%			10%		5%		
<b>Targeted for Improvement: Increase in Productivity of Ro-Ro Operations</b>										
SM 10	Increase in Productivity of Ro-Ro Operations	Ave. No. of Ro-Ro Units/Net Ship-Hour (Total No. of Ro-Ro Units per Vessel/Net Service Time per Vessel) in Top 20 Ro-Ro ports Operating 12 hrs for 365 days	5%	All or Nothing	35-40 Vehicles	47.13	47.13	5%	- Schedule of Productivity of Ro-Ro Operations	Top Performing Ports: 1. Baingoon CDO -- 120.53 2. Benoni CDO -- 97.34 3. Daima Shipping Corp. Ozamiz -- 69.65
SM 11	Increase in Sites with Transport Connectivity Enhanced Through the Provision of Ro-Ro Ramps	Actual Accomplishment	7.5%	Actual/Target x Weight	+7 Ports	13 Ports	13 Ports	7.5%	- Certificates of Completion and Acceptance	A total of 157 Ro-Ro Ramps were provisioned in ports nationwide.
SM 12	Increasing the Productivity of Container Operations	Ave. No. of Boxes/Net Ship-Hour (Total no. of Boxes per Vessel/Net Service Time per Vessel) in Manila-based ports	5%	All or Nothing	20-25 (MICT, SH and NH)	26.74	26.74	5%	- Schedule of Productivity of Container Operations	North Harbor 20.63 South Harbor 26.49 MICT 33.09

INTERNAL PROCESS

Component		PPA Submission				CGO-B Evaluation				Supporting Documents	Remarks
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Score	Rating	Score		
SM 13	Increasing the Productivity in Break Bulk Operations	Ave. No. of Tons/Net Ship-Hour (Total Metric Tons per Vessel/Net Service Time per Vessel) in 23 baseports	5%	All or Nothing	70-75 Metric Tons	72.43 Metric Tons	5%	5%	71.46 Metric Tons	- Schedule of Productivity of Breakbulk Operations	Top Performing Ports: 1. Pulupandan - 136.86 2. General Santos - 132.95 3. Ozamiz - 103.98
SM 14	Passenger Terminal Buildings (PTBs) Completed for Privatization	Number of PTBs Privatized	5%	Actual/Target x Weight	+5	+8	5%	5%	+8	- Copies of Contracts - Photographs	PPA has now a total of 25 privatized PTBs.
SM 15	Number of Ports Established with Vessel Traffic Management System (VTMS)	Number of ports with established VTMS	5%	Actual/Target x Weight	+4	N/A		0%	N/A	- Requests for Renegotiation	PITC, the procurement arm of PPA for the VTMS, was unsuccessful in bidding out the project for CYs 2015 and 2016 due to limited technical expertise.
SM 16	Number of Ports with Automatic Identification System (AIS)	Number of baseports with AIS	5%	Actual/Target x Weight	+5	+4	4%	4%	+4	- Copies of Inspection and Acceptance Reports - Purchase Orders	Baseports with AIS installed are Omoc, Cagayan de Oro, Iligan and General Santos. PPA targets to install and implement AIS to all baseports without VTMS.
SM 17	Upgrading of Enterprise Strategy Program through the Optimal Use of Technology	Percent	5%	All or Nothing	Upgraded PPA-wide information structure	100%	5%	5%	100%	- Certification of Completed Activities	PPA commissioned iOne Resources, Inc. to manage its network services for voice, video and data communication.

INTERNAL PROGRAM

Component		PPA Submission				CSO-B Evaluation			
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Score	Rating	Remarks
SM 18	Percentage Compliance with the Requirements for Certification on Core Processes for PPA Head Office	5%	All or Nothing	100% Completed All Requirements for ISO Certification	Finalized Policy and Procedures Manual and Conducted Internal Audit	0%	N/A	N/A	PPA completed Internal Audit for ISO 9001:2015. The migration to new version of standard from ISO 9001:2008 to ISO 9001:2015, as recommended by the certifying body of PPA, resulted to delay in the processes set in place for the QMS recognition of the core processes of PPA Head Office. Measure is excluded.
<b>CSO-B</b> Strengthen Regulatory Regime that will promote Healthy Competition and Efficient Operations									
SM 19	% Completion of Inventory and Mapping of Ports in Relation to new Terminal Management Operation and Service Policy	5%	All or Nothing	100%	100%	5%	100%	5%	PPA classified the investment arrangements that contractors may enter into based on the services required by each port.
SM 20	% Completion of Policy Reform on Interim Delineation of Regulatory from Operations Functions	5%	All or Nothing	50% Board-approved Policy	N/A	-	N/A	N/A	GCG has yet to issue policy guidelines on the delineation of the regulatory functions of PPA from its commercial functions. Measure is excluded.
<b>Sub-total</b>		<b>57.5%</b>				<b>41.50%</b>		<b>41.50%</b>	

Component		PPA Submission			CGO-B Evaluation			Supporting Documents	Remarks	
Objective/Measure	Formula	Weight	Rating System	Target	Actual	Rating	Score	Rating		
SO 7 Raise Employee Competence to Global Standards										
SM 21	Number of Graduates on Master of Science in Maritime Affairs at the World Maritime University (WMU)	5%	Actual/Target x Weight	4	4	5%	4	5%	- Copies of Course Completion Certificates on Master of Science in Maritime Affairs	Four (4) PPA employees completed the Master of Science in Maritime Affairs (Port Management Course) at the World Maritime University.
SM 22	Number of Graduates on Modern Port Management Course Duly Accredited by International Institutions (UNCTAD)	0%	Actual/Target x Weight	Completion of 3 modules by 12 PPA students	20 students completed 4 modules	0%	20 students completed 4 modules	0%	- Special Orders - Attendance Sheets	The completed modules were the requirements of the UNCTAD TrainForTrade Port Training Programme on Modern Port Management Course.
	Sub-total	5%				5%		5%		
	SCORECARD TOTAL	100%								
	EXCLUDED WEIGHTS	15%								
	VALIDATED TOTAL	85%				81.93%		77.24%		
	VALIDATED RATING						(81.93 / 85) = 96.39%	(77.24 / 85) = 90.87%		

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