

NATIONAL HOUSING AUTHORITY
2016 Performance Scorecard Evaluation

	Performance Measure					NHA Submission		GCG Evaluation		Supporting Documents	GCG Remarks
	Objectives/Measures	Formula	Weight	Rating Scale	Target	Actual	Rating	Score	Rating		
STAKEHOLDERS /SOCIAL IMPACT	SO 1	Scale-Up Provision of Safe and Affordable Housing Responsive to the Needs of Informal Settler Families (ISFs) and Low-Income Formal Sector									
	SM 1	Number of housing units started	Total number of housing units started through NOA	15%	(Actual / Target) x Weight	131,676	65,998	7.52%	63,635	7.25%	<ul style="list-style-type: none"> Summary of Housing Programs Started Copy of Notices of Award (NOA); Memoranda of Agreement (MOA) with Homeowners Association and Developer; and MOAs with LGU

Validated Performance Scorecard CY 2016 (Annex A)

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										<p>First of all, the request of NHA to reword the formula to exclude units due to "external factors" undermines the intent of the performance measure which is to track the efficiency of NHA in starting a project. The request to lower down targets will result to removing the housing and relocation projects for the calamity victims and informal settlers in the overall target which is tantamount to stating that it is of least priority. Moreover, excluding unfinished units due to external factors underestimates the actual services rendered by NHA for the year.</p> <p>Second, adhering to NHA's request to revise formula presents a perverse incentive to NHA. As a government's arm in shelter production, the government rests on NHA's planning skills and ability, to ensure the achievement of government's commitment. Accounting for both foreseen and unforeseen events is expected of a planning agent such as NHA. External factors provided by NHA are inherent to the business and a recurring factor, thus are not unforeseen circumstances which merit renegotiation. For purposes of target setting, unforeseen events were already considered such that this measure considers accomplishment once agreement</p>

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										is reached. To allow this form of reasoning to be considered as valid claim for renegotiation violates the very principle of good governance and performance management. Hence the request is DENIED .
SM 2	Percent of projects with NTP completed within the project duration	Actual units completed in 2016 / Total number of Carry-Over Works with NTP issued up to December 2015 + Unprogrammed projects completed within the year	15%	(Actual / Target) x Weight	92%	53%	8.57%	52.59%	8.57%	<ul style="list-style-type: none"> List of projects with details on the targeted and completed units for CY 2016 Certification on Completed Housing Units from the Project Units duly concurred by the Area Management Office <p>This measure relates to the ability of NHA to complete housing construction which had been issued with NTP during the prior years, including new and unprogrammed works. NHA completed 42,362 units out of the 80,548 targeted for completion in CY 2016, equivalent to 52.59%.</p> <p>NHA requested to renegotiate the formula and target due to external factors. NHA cited that inclement weather condition and LGU-related issues, among others, affected the completion of housing units. NHA is proposing to (1) revise the formula to exclude "units affected by external factors" from the total number of carry-over works with NTP and (2) reduce the target from 92% to 90%.</p> <p>As stated above, while the Governance Commission acknowledges the externalities affecting the attainment of the target, the above-mentioned factors are considered as recurrent challenges inherent in the operations of NHA. Good</p>

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											corporate governance practice dictates GOCCs to institute risk management practice to effectively perform its mandate. In this case, these factors should have been considered during the project development preparation which involves the conduct of feasibility study, preparation of all plans, and technical review. To provide such justification puts into question the corporate governance practice of NHA Board and Management. Moreover, to accept justification provided undermines the foundation and principles of good corporate governance we as the Governance Commission champions. It is in this view that the proposal to revise the formula and reduce the target is not accepted.
SM 3	Percent of disposable housing units disposed										
a) Percent of old inventory disposed	Old units awarded / Old Inventory (as of 1st Sem of Prior Year)	3%	(Actual / Target) x Weight	45% (18,452 / 40,741)	41% (16,559 / 40,741)	2.71%	41% (16,559 / 40,741)	2.71%	<ul style="list-style-type: none"> • Certification from NHA Project Offices on the Disposition of Lots Based on Group Sales Report and Masterlist of Beneficiaries Lot Allocation 	Old inventory (SM 3a) pertains to fully completed units as of 1st semester of 2015 which are ready for disposition. In 2016, NHA disposed of 16,559 units which is 41% of the total old inventory of 40,741 units. This is 4% lower than the 45% target. As regards new inventory (SM 3b), this pertains to fully completed units from carry-over and new works from 2 nd semester of 2015 to 1 st semester of 2016. In 2016, NHA disposed of 16,474 or 12.97% out of the total new inventory of 126,989 units. With this, NHA was not able to	
b) Percent of new inventory disposed	New units awarded / New inventory (2nd Sem of Prior Year to 1st Sem of Current Year)	9%	(Actual / Target) x Weight	85% (107,941 / 126,989)	13% (16,474 / 126,989)	1.37%	12.97% (16,474 / 126,989)	1.37%			

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										<p>achieve the achieve the target of 85%.</p> <p>NHA requested to renegotiate SM 3b due to external factors such as: (1) no approved subdivision plan; and (2) units not ready for occupancy due to lack of water and power utilities among others. NHA proposed to: (1) revise the formula to exclude "units affected by external factors" from the new inventory targeted for disposition; and (2) revise the target to: 85% (17,286/20,336).</p> <p>We find that the above-mentioned factors are considered as recurrent challenges inherent in the operations of NHA. In this case, these factors should have been considered during the project development preparation which involves the conduct of feasibility study, preparation of all plans, and technical review. It is noteworthy to stress that it is through the award and relocation when housing beneficiaries derive value from NHA's housing development efforts. In this regard, the GCG denies the request to revise the formula and reduce the target.</p>

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SO 2	Strengthened Strategic Partnerships with Stakeholders										
SM 4	Number of beneficiary-families below poverty threshold provided access to livelihood trainings & other income-generating interventions	Beneficiary-families in NHA-administered projects provided livelihood trainings	4%	(Actual / Target) x Weight	31,473		33,465	4.00%	33,465	4.00%	<ul style="list-style-type: none"> • Certification on the livelihood intervention provided based on list of beneficiaries given access to livelihood • Attendance sheets • MOA with partner agencies <p>In 2016, NHA provided trainings to various housing beneficiaries in resettlement sites in Metro Manila, Pampanga, Rizal, Cavite, Laguna, Regions 6, 7, and 8, and Bulacan which has the highest number of participants at 7,172. Livelihood assistance provided by NHA includes trainings on welding, soap powder making, goods retailing, food processing, among others. NHA also provide assistance thru seed distribution, access to credit, and job placement in partnership with recruitment agencies. Total number of participants and beneficiaries is at 33,465, which is 6% higher than the target of 31,473.</p>
SO 3	Improved Stakeholder Satisfaction										
SM 5	Customer Satisfaction										
	a) From Customers/ Housing Beneficiaries (10 Major Off-City Sites)	Survey results for Off-City Housing	4.33%	(Actual / Target) x Weight	Satisfactory Rating				Survey not conducted	0.00%	<ul style="list-style-type: none"> • Approved Terms of Reference (TOR) <p>NHA was not able to conduct the survey, thus this measure was also requested for renegotiation by NHA to: (1) reduce the weight from 13% to 6%, and (2) revise the target to the approval of the terms of reference (TOR) - 3% and start of the bidding process - 3%. The procurement of third-party consulting services for the survey</p>

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	b) From Customers/ Housing Beneficiaries (6 In-City Sites inside Metro Manila)	Survey results for In-City Housing (LRBs)	4.33%	(Actual / Target) x Weight	Satisfactory Rating	-	-	Survey not conducted	0.00%	• Approved Terms of Reference (TOR)	was affected by the transition in administration. Although the TOR was approved by NHA management in June 2016, the proponents failed to qualify due to non-submission of Tax Clearance. Further, the NHA Bids and Awards Committee was re-organized and operational only in August 2016.
	c) From other Stakeholders	-	4.33%	(Actual / Target) x Weight	2% higher than the 2015 Satisfactory Rating (85%)	-	-	Survey not conducted	0.00%	None	The negotiation of FY 2016 targets last 01 December 2015 was within the context and assumption of the upcoming national election. As a government agency, NHA is aware of the situation during transition of administration, as such the justifications and reasons provided are not acceptable. In view of this, the request to renegotiate is DENIED .
	Sub-total		59%				24.17%		23.90%		
FINANCIAL	SO 4	Efficient Budget Management									
	SM 6	Budget Utilization Rate	Amount obligated / Total Releases from July of previous year to June of current year	6%	(Actual / Target) x Weight	95% (P30.33 Billion / P31.86 Billion)	97% (P10.16 Billion / P10.46 Billion)	6.00%	97% (P10.16 Billion / P10.46 Billion)	6.00%	• Certification from the Financial Management Department on the Utilization based on COB and approved request for Fund Allotments

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	SM 7	Collection Efficiency on Residential Lots	Total Actual Collection for Residential Lots / Total Amount Due	7%	(Actual / Target) x Weight	35% (P0.81 Billion / P2.30 Billion)	31% (P0.709 Billion / P2.30 Billion)	6.17%	31% (P0.709 Billion / P2.30 Billion)	6.17%	• Certification from Treasury Department on Total Amount Due and Actual Collection	Acceptable.
	Sub-total			13%				12.17%		12.17%		
	SO 6	Established Quality Management System										
INTERNAL BUSINESS PROCESS	SM 8	Quality Management System developed	ISO Certification issued	10%	All or nothing	ISO Certification for all major core processes	-	-	ISO Certification obtained in 2017	0.00%	• Board Resolution (Notation on the award of contract for the Procurement of Consulting Services in the hiring of Certifying Body for NHA to obtain ISO Party 9001:2008 Certificate)	In compliance with the quality management system instituted in the government sector, NHA has undergone the process of certification of its processes and procedures in accordance with the ISO standards. In 2015, NHA's consultant issued a readiness report which sets NHA for ISO third party audit. However, for 2016, the target to obtain an ISO Certification for all major processes was not achieved within the year. NHA proposed for the revision of rating scale from "All or Nothing" to "Milestones Achieved". The various processes required to attain the ISO Certification are proposed to have corresponding points to be consistent with "effort-based"

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										<p>monitoring of performance in all phases. Further, NHA also cited that the transition in government affected the procurement of the necessary consultancy service. The Board Notation for the third-party certifying body was only obtained during November 2016 as the NHA Board was not convened from July to October 2016.</p> <p>As mentioned earlier, justifications relating to the effects of the transition in government are not acceptable. In view of this, the request to revise the rating scale is not accepted.</p>	
SO 7	Review of Selected Processes Involved in Planning and Implementation of Housing										
SM 9	Housing standards on the use of new technology	Milestone achieved	6%	3% - Establishment of Manual 3% - Conduct of training	a) Hands on training Manual and Guidelines on the Use of New Technologies in Calamity-Stricken Areas and b) Conduct of training for 150 technical personnel	a) Hands-on Training Manual and Approved MC on Use of New Technologies for current and future NHA Projects b) Conducted hands-on training for 209 technical personnel	6.00%	a) Hands-on Training Manual and Approved MC on Use of New Technologies for current and future NHA Projects b) Conducted hands-on training for 209 technical personnel	6.00%	<ul style="list-style-type: none"> NHA Memorandum Circular (MC) No. 2016-020 on the Guidelines for Construction using Accredited Technologies for Housing (AITECH) List of Hands-on Training for 2016 	<p>For 2016, NHA issued a hands-on training manual and a Memorandum Circular (MC) on the guidelines for construction using accredited technologies under the Accreditation of Innovative Technologies for Housing (AITECH).</p> <p>Four (4) hands-on trainings were conducted by NHA with 209 participants, of which 170 are from NHA and 39 are proponents and contractors. With this, NHA exceeded the target number of personnel that should be trained in 2016.</p>
	Sub-total		16%				6.00%		6.00%		

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LEARNING AND GROWTH	SO 8	Optimum Utilization of Information Technology									
	SM 10	Completion of NHA IT Roadmap									
		a) Housing Loans, Assets Beneficiary Management System (HLABMS)	Completion based on the milestones	3%	All or nothing	System implementation for NCR/NCL/SLB	-	-	System not implemented	0.00%	• User Acceptance Testing (UAT)

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b) Geographical Information System	Completion based on the milestones	2%	All or nothing	System Development Completed	Completed	2.00%	System Development Completed	2.00%	<ul style="list-style-type: none"> User Acceptance Forms GIS Webmap and User Manual from NHA Website 	<p>The NHA-GIS Web Map application is a browser-based GIS app that allows authorized users to navigate and access information on project locations and lot properties on a GIS map-based interface. Upon validation, it was found that the GIS webmap is already accessible from the NHA website. With this, NHA was able to achieve the target for 2016 which is to complete the system development.</p> <p>NHA also requested to renegotiate the following: (1) revise the target from "System Development Completed" to "Contract Deliverables Completed"; (2) increase the weight from 2% to 3%; and (3) revise the formula as in the case of HLABMS.</p> <p>The proposal to increase weight is based on the premise that this is the only IT system completed by NHA in 2016 undermines the integrity and intent of the performance management system. The proposal of NHA is hereby denied, thus the original weight of 2% shall be given for this accomplishment.</p>
c) Enterprise and Communication Management System	Completion based on the milestones	3%	All or nothing	System Implementation	-	-	System not implemented	0.00%	<ul style="list-style-type: none"> Certificate of Completion approved by COSO - ECMS 	<p>Implementation of the Enterprise Content Management System intends to digitally manage data (capture, store, retrieve) combined with a scanning services which will capture the documents to produce electronic copies. The project,</p>

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										<ul style="list-style-type: none"> • Delivery of Hardware (Delivery Report/ Transmittal Report) 	<p>however, did not materialize in 2016 and was also requested for renegotiation. NHA proposed the following: (1) revision of the formula as in the case of HLABMS; and (2) revision of target from "System Implementation" to "Contract Deliverables Completed based on revised target approved by Management". Per NHA, original target completion date was moved from 6 December 2016 to 17 February 2017, due to: (1) prolonged deliberation on the documents to be scanned; (2) fewer scanners due to limited scanning work area; (3) work suspension due to holidays and typhoon; and (4) no scanning work on Fridays to allow staff to perform regular work load.</p> <p>As in the case of HLABMS and GIS, the request to revise the formula and target is denied.</p>
SO 9 Established Competency-Based Framework											
SM 11	Board-approved Human Resource (HR) Competency-Based Framework	Final Table of Organization and Staffing	4%	All or nothing	Board-approved Competency Table	-	-	No Board-approved Competency Table	0.00%	<ul style="list-style-type: none"> • Human Resource Competency Based Framework approved by the NHA General Manager 	<p>In 2015, NHA has already completed the Competency Catalogue and has prepared the Terms of Reference for the hiring of a consultant. However, the target for 2016 which is the Board-approved competency table was not accomplished by NHA.</p> <p>The original measure requires that the Human Resource (HR) Competency-Based Framework is Board-approved. NHA requested</p>

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										to renegotiate the measure in view of the transition in government. It proposed to revise the measure to remove the said requirement since no Board meeting was conducted in December 2016 due to the transition in government. Revision of target to "General Competency Framework Identifying Competencies and Catalogue with Proficiency Levels (2%) and Leadership Competency Matrix (2%) was requested by NHA. As in the case of other measures requested for renegotiation due to transition in government, the Governance Commission also denies the proposed revisions for this measure.
	Sub-total		12%					2.00%		2.00%
	TOTAL		100%					44.34%		44.07%