

**LBP RESOURCES AND DEVELOPMENT CORPORATION (LBRDC)**  
**Performance Scorecard Evaluation**

Objective / Measure	Component		Rating Scale	Target 2017	Submission		GCG Validation		Supporting Documents	GCG Remarks
	Formula	Wt.			Actual	Rating	Score	Rating		
STAKEHOLDERS	SO 1	Provide High Quality Services								
	SM 1	Projects Completed On-Time:								
		Construction		5.0%		4	4	5.00%	4	5.00%
	Renovation	Number of projects completed on-time	15.0%	(Actual / Target) x Weight	30	30	15.00%	23	11.50%	<ul style="list-style-type: none"> <li>• List of Completed Projects</li> <li>• Project Inspection and Acceptance Reports by LandBank-PMED</li> <li>• Turn-over and Acceptance Forms issued by the LandBank - Building Committee</li> </ul> <p>Request for reconsideration <b>DENIED</b>. The submitted supporting documents show 32 completed projects related to renovation, out of which, 9 projects were completed with delay based on the PIUR. The delayed projects were:</p> <ol style="list-style-type: none"> <li>1. LandBank Caloocan Branch</li> <li>2. Landbank Capas Branch</li> <li>3. LandBankk Capistrano Branch</li> <li>4. LandBank Goa Branch</li> <li>5. Landbank AC Makati Branch</li> <li>6. LandBank Antipolo Warehouse Service Elevator</li> <li>7. LandBank Tabaco Branch</li> <li>8. LandBank Toril Extension Office</li> <li>9. LandBank West Avenue Branch</li> </ol> <p>Thus, only 23 are considered completed on-time.</p>

Request for Reconsideration on the Validation Result of 2017 Performance Scorecard (**Annex A**)

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SM 2	Manpower Service Clients	Number of manpower service clients	15.0%	(Actual / Target) x Weight	6	6	15.00%	3	7.50%	<ul style="list-style-type: none"> <li>• Contract Agreements with LandBank</li> <li>• Purchase Orders from LandBank</li> <li>• Notices of Award and Notices to Proceed from LandBank</li> <li>• Notice to Proceed and Purchase Orders from Holcim</li> <li>• Letters from LIBI on extension of contract</li> </ul> <p>Request for reconsideration <b>DENIED</b>. Reported accomplishment was based on agreements entered into with three (3) clients namely: (1) Land Bank of the Philippines, (2) Holcim Mining &amp; Development Corp., and (3) LIBI.</p> <p>Considering that the measure pertains to the number of clients and not agreements entered into, LBRDC only achieved half of the target.</p>												
SM 3	Customer Satisfaction Survey (Construction and Manpower Services)	Average satisfaction rating	10.0%	(Actual / Target) x Weight	100%	100%	10.00%	90.36%	9.09%	<ul style="list-style-type: none"> <li>• Accomplished survey questionnaires</li> </ul> <p>The request for reconsideration to include the belated submission of survey from LIBI is granted. Hence, the new average survey rating is as follows:</p> <table border="1"> <thead> <tr> <th>#</th> <th>Respondent</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Holcim – Norzagaray</td> <td>85.65</td> </tr> <tr> <td>2</td> <td>Holcim – Calumpit</td> <td>91.50</td> </tr> <tr> <td>3</td> <td>LandBank Facilities Mgt. Dept. – LandBank</td> <td>95.00</td> </tr> </tbody> </table>	#	Respondent	Rating	1	Holcim – Norzagaray	85.65	2	Holcim – Calumpit	91.50	3	LandBank Facilities Mgt. Dept. – LandBank	95.00
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<b>Average</b>		<b>90.85</b>																										
<b>Sub-total</b>		<b>45.0%</b>				<b>45.00%</b>		<b>33.09%</b>																				
FINANCIAL	<b>SO 2</b>	<b>Increase Profitability and Optimize Use of Resources</b>																										
	SM 4	Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA)	Absolute amount (in Million Pesos)	10.0%	(Actual / Target) x Weight	₱96.83 Million	₱99.67 Million	10.00%	₱100.42 Million	10.00%	<ul style="list-style-type: none"> <li>• 2017 COA Audited Report</li> <li>• Computations signed by Acting Finance Manager and PCEO</li> </ul> <p>LBRDC exceeded its target. The EBITDA computation using the 2017 COA audited figures is as follows:</p> <table border="1"> <thead> <tr> <th>Account</th> <th>Amount (in ₱ Millions)</th> </tr> </thead> <tbody> <tr> <td>NIAT</td> <td>69.87</td> </tr> <tr> <td>(+) Interest Exp</td> <td>-</td> </tr> <tr> <td>(+) Tax</td> <td>28.87</td> </tr> <tr> <td>(+) Depreciation</td> <td>1.67</td> </tr> <tr> <td>(+) Amortization</td> <td>0.01</td> </tr> <tr> <td><b>EBITDA</b></td> <td><b>100.42</b></td> </tr> </tbody> </table>	Account	Amount (in ₱ Millions)	NIAT	69.87	(+) Interest Exp	-	(+) Tax	28.87	(+) Depreciation	1.67	(+) Amortization	0.01	<b>EBITDA</b>	<b>100.42</b>			
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SM 5	Construction Margin	Absolute rate	10.0%	(Actual / Target) x Weight	25.30%	25.45%	10.00%	25.36%	10.00%	COA audited construction net income and construction revenue were ₱43.55 Million and ₱171.74 Million, respectively. Thus, the Construction Margin is 25.36%, which is slightly higher than the target.
SM 6	Return on Equity	Net Income / Total Shareholder's Equity	5.0%	(Actual / Target) x Weight	12.64%	12.02%	5.00%	12.25%	4.85%	COA audited net income and shareholders' equity were ₱69.87 Million and ₱570.41 Million. Thus, the ROE is 12.25%, which is slightly lower than the target.
<b>Sub-total</b>		<b>25.0%</b>				<b>25.00%</b>		<b>24.85%</b>		
<b>INTERNAL PROCESS</b>										
SO 3	<b>Enhance Management and Information Systems (MIS)</b>									
SM 7	Processes Automated	Number of processes automated	5.0%	50% - Notice of Award to HRIS vendor 50% - Full automation of HR processes	1 (HRIS)	Deferred, IT services to be provided by LBP	0.00%	Deferred, IT services to be provided by LBP	N/A	<ul style="list-style-type: none"> <li>LBRDC letter dated 29 Dec 2017 signed by LandBank's Executive Vice President for Operations Sector (Mr. Alan V. Bornas)</li> </ul> <p>The measure is <b>excluded in the computation of the rating</b> on the ground that LBRDC has no control of the circumstance. There was a change in the direction set by the head of its parent company, which LBRDC was compelled to faithfully comply.</p>



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<b>SO 4</b>	<b>Build Strong Alliance with Suppliers</b>										
SM 8	Strategic Tie-ups Established with Key Suppliers	Number of strategic tie-ups with suppliers	10.0%	(Actual / Target) x Weight	4	4	10.00%	4	10.00%	<ul style="list-style-type: none"> <li>• Copies of agreements:               <ol style="list-style-type: none"> <li>1. Philmetal Products, Inc.</li> <li>2. S.U.D. Tiles Trading</li> <li>3. Holcim Phil.<sup>1</sup></li> <li>4. G.S. Go Bros. Inc.</li> </ol> </li> </ul>	Acceptable
<b>SO 5</b>	<b>Enhance Existing Processes at Par with Industry</b>										
SM 9	ISO 9001 Certification	N/A	5.0%	All or nothing	Certificate of Readiness for ISO 9001:2015	Certificate of Readiness for ISO 9001:2015	5.00%	Certificate of Readiness for ISO 9001:2015	5.00%	<ul style="list-style-type: none"> <li>• Certificate issued by BCJA Training and Travel Consultancy</li> <li>• Internal Quality Audit Report signed by the Lead Consultant</li> <li>• Minutes of the Management Review dated 15 Dec 2017</li> </ul>	Acceptable.
<b>Sub-total</b>			<b>20.0%</b>				<b>15.00%</b>		<b>15.00%</b>		

<sup>1</sup> LBRDC can avail graduated volume discounts from Holcim on cement products through its membership with the Subdivision and Housing Developers Association, Inc. (SHDA). SHDA and Holcim came up with a supply agreement that was renewed for 2017.

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LEARNING AND GROWTH	<b>SO 6</b>	<b>Enhance HR and Development Programs</b>										
	SM 10	Competency-Based Organization	N/A	10.0%	All or nothing	Board-approved Competency Framework and Establishment of Baseline	Board Resolution No.	10.0%	Board Resolution No. 17-11-14 dated 21 November 2017	0.0%	<ul style="list-style-type: none"> <li>• Memo for PCEO on approval of Competency Framework Model</li> <li>• Board Resolution</li> </ul>	The request for reconsideration of LBRDC is <b>DENIED</b> . LBRDC was able to submit Competency Catalogue for Core and General Competencies and Competency Matrix. However, it was not able to submit a document evidence of the conduct of competency assessment and the result thereof which will provide the establishment of competency baseline of individual employees of the corporation.
	<b>Sub-total</b>			<b>10.0%</b>				<b>10.00%</b>		<b>0.00%</b>		
	<b>TOTAL</b>			<b>100.0%</b>				<b>95.00%</b> out of 100.00%		<b>72.94%</b> out of 95.00%		
<b>VALIDATED RATING</b>			<b>100.0%</b>						<b>76.78%</b>			