

**3. Measurement of Performance.** – Based on the Performance Scorecard 2015 attached hereto as **Annex A**, the LWUA's Performance for 2015 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

COMPONENT		WEIGHT	RATING SYSTEM	2015 TARGET	
SOCIAL IMPACT	SO 1	<b>Expand Coverage and Reliable Water Service at Affordable Rates</b>			
	SM 1	Households that can be served with improved access to water through:			
		a. No. of non-operational water districts made operational	6%	Actual/Target x Weight	2 WDs
	b. No. of projects completed during the year	6%	105 <sup>a/</sup>		
	SO 2	<b>Adequate Sanitation Including Septage and Sewerage</b>			
	SM 2	For all Water District(WDs) in the Manila Bay area to comply with the Supreme Court mandamus	8%	Actual/Target x Weight	20
SM 3	Number of WDs trained on sanitation orientation and awareness (total operational WDs of 514)	5%	Actual/Target x Weight	50	
	<b>Sub-total</b>	25%			
FINANCE	SO 3	<b>Ensure the Viability and Sustainability of LWUA Operations</b>			
	SM 4	Percentage of performing loans collected	15%	Actual/Target x Weight	95%
	SM 5	Reducing the Non-Performing Loans (NPLs) by way of payment or restructuring into performing loans	10%	Actual/Target x Weight	500 M
		<b>Sub-total</b>	25%		
CUSTOMER / STAKEHOLDER	SO 4	<b>Ensure Reliable and Economically Viable Water Districts</b>			
	SM 6	Percentage of WD Performance-Based Bonus (PBB) applications processed within 60 days from complete submission <sup>b/</sup>	4%	Actual/Target x Weight	100%
	SO 5	<b>Institutionalize Good Governance in Water Districts</b>			
	SM 7	Compliance by WDs on good governance conditions for their PBBs on previous year	10%	Actual/Target x Weight	50%
	SM 8	Number of WDs trained on good governance	10%	Actual/Target x Weight	50
	SM 9	Percentage of Operational WDs compliant with Philippine National Standards for Drinking Water (PNSDW)	4%	Actual/Target x Weight	95%
	<b>Sub-total</b>	28%			
INTERNAL PROCESS	SO 6	<b>Ensure Efficient Project Development Process Towards Competent Delivery of Technical and Institutional Development Assistance</b>			
	SM 10	Adoption of a Gantt chart method on the project development cycle: a. Percentage of POWs completed on time	4%	All or nothing	100% (13)

COMPONENT		WEIGHT	RATING SYSTEM	2015 TARGET	
INTERNAL PROCESS	b. Percentage of Financial Evaluations (FEs) completed on time	4%	All or nothing	100% (24)	
	c. Percentage of Financial Assistances (FAs) approved by the Board of Trustees (BOT) on time	3%	All or nothing	100% (34)	
	d. Number of construction projects started	3%	All or nothing	150 <sup>c/</sup>	
	<b>Sub-total</b>	14%			
LEARNING AND GROWTH	<b>SO 7</b>	<b>Develop a Competent and Efficient Workforce of Dedicated Civil Servants</b>			
	SM 11	ISO 9001:2008 Certification <sup>d/</sup>	4%	All or nothing	Seminar for Quality Management Systems (QMS) Representatives
	SM 12	Competency Framework <sup>d/</sup>	4%	All or nothing	Established Competency Framework (Action Plan) <sup>e/</sup>
		<b>Sub-total</b>	8%		
	<b>TOTAL</b>	<b>100%</b>			

a/ Validation document: Certificate of Completion signed by WDs

b/ Start date: complete submission of WDs, end date: transmission to AO25 Secretariat

c/ With automatic reduction of targets

d/ Activities are affected by the implementation (and revisit) of the Rationalization Plan

e/ Target is only a plan which includes the outline of the processes to be undertaken to complete the competency framework

It is understood that the LWUA must achieve a weighted-average of at least 90% to be eligible to grant any Performance-Based Bonus.

4. **Strategic Initiatives.** – LWUA hereby commits to undertaking the following key programs and/or projects identified as having a significant impact on its Performance Scorecard (PES Form 2) attached hereto as **Annex B**, to wit:
- (a) Strategic Initiative 1 – Water District Development Sector Project (WDDSP)
  - (b) Strategic Initiative 2 – Modification / Revision of LWUA's Approved Rationalization Plan

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. LWUA shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – LWUA shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter using the monitoring report attached hereto as **Annex C**.
6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the LWUA must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 namely:

6.1. *Conditions Common to National Government Agencies and GOCCs:*