

**PHILIPPINE PHARMA PROCUREMENT, INC. (PPPI)
Validation Result of the 2020 Performance Scorecard**

Objective/Measure		Component			PPPI Submission		GCG Evaluation		Supporting Documents	GCG Remarks	
		Formula	Weight	Rating System	Target	Actual	Rating	Actual			Rating
SO 1 Provide Access to Affordable Essential Medicines through Public Entities/Facilities											
SM 1	Increase the Number of PhilHealth Z-Benefit Contracted Government Hospitals Served thru the Pooled Procurement Facility	Actual Number of Hospitals Served / Total Number of PhilHealth Z-Benefit Contracted Government Hospitals	20%	(Actual / Target) x Weight If Less Than 65% = 0%	90%	20 out of 21 or 95%	20%	90% (18 out of 20 ¹ PhilHealth Z-Benefit Contracted Government Hospitals with Medical Conditions with Medicine Requirements Served)	20%	Summary List of Hospitals Served Copies of Delivery Receipts	Target met. The two (2) PhilHealth Z-Benefit contracted government hospitals with medical conditions that require medicines which were not served by the PPPI in 2020 are Dr. Paulino J. Garcia Memorial Research & Medical Center and Mariano Marcos Memorial Hospital and Medical Center.
SM 2	Expand the Number of Provinces Served through Pooled Procurement ²	Absolute Number	15%	(Actual / Target) x Weight	2019 Actual + 20 Provinces (UHC Implementation Sites)	22 Old + 21 New	15%	Cannot Be Validated	0%	Summary List of Provinces Served in 2019 and 2020 Copies of Delivery Receipts for 2020	Reported accomplishment cannot be validated. Review of the submitted supporting documents showed that the PPPI served 43 provinces and 2 administrative districts of Metro Manila, namely the Eastern Manila District and the Northern Manila

SOCIAL IMPACT

¹ The PhilHealth Z-Benefit contracted government hospitals in 2020 with medical conditions that require medicines are Baguio General Hospital and Medical Center, Batangas Medical Center, Bicol Medical Center, Bicol Regional Training and Teaching Hospital, Corazon Locsin Montelibano Memorial Regional Hospital, Davao Regional Medical Center, Dr. Paulino J. Garcia Memorial Research & Medical Center, East Avenue Medical Center, Ilocos Training and Regional Medical Center, Jose B. Lingad Memorial Regional Hospital, Mariano Marcos Memorial Hospital and Medical Center, National Children's Hospital, National Kidney and Transplant Institute, Northern Mindanao Medical Center, Philippine Children's Medical Center, Southern Philippines Medical Center, UP-Philippine General Hospital, Vicente Sotto Memorial Medical Center, Western Visayas Medical Center, and Zamboanga City Medical Center.

² Per PPPI, the measure aims to have a presence in all provinces.

									<p>District, in 2020. However, since the validation and the accomplishment of the measure is contingent on the actual validated number of provinces served in 2019 and since the PPPI failed to submit the necessary validating documents to support the reported 2019 accomplishment, the Governance Commission was unable to objectively validate the reported 2020 accomplishment.</p> <p>Furthermore, it should be noted that the Governance Commission has been unable to validate the reported accomplishment for this measure since 2017 due to the non-submission of the PPPI of the necessary supporting documents. As such, the Governance Commission does not have a validated baseline on the actual provinces served and the number of provinces served by the PPPI. Without such information, the Governance Commission could not properly determine the progress and the annual accomplishment of the measure.</p>
								20%	
								35%	
								35%	
								Sub-total	
									Grow Revenues
									SO 2

Validation Result of 2020 Performance Scorecard of PPPI

SM 3	Improve Gross Revenues	(Direct/Gross Sales – Direct Cost) + Service Income	15%	(Actual / Target) x Weight	₱118.30 Million ³	₱25,488 Million	3.23%	₱21.25 Million	2.69%	2020 COA Annual Audit Report	<p>Target not met.</p> <p>The computation of the of the validated accomplishment is provided in the table below.</p> <table border="1"> <thead> <tr> <th>PARTICULARS</th> <th>AMOUNT (in Million Pesos)</th> </tr> </thead> <tbody> <tr> <td>Direct/Gross Sales</td> <td>3.67</td> </tr> <tr> <td>Subtract: Direct Cost</td> <td>4.24</td> </tr> <tr> <td>Add: Service Income</td> <td>21.82</td> </tr> <tr> <td>Gross Revenue</td> <td>21.25</td> </tr> </tbody> </table>	PARTICULARS	AMOUNT (in Million Pesos)	Direct/Gross Sales	3.67	Subtract: Direct Cost	4.24	Add: Service Income	21.82	Gross Revenue	21.25				
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SO 3 Sustain the Organization's Viability																									
SM 4	Maintain a Positive EBITDA	Net Income + Interest Expense + Tax + Depreciation + Amortization	10%	(Actual / Target) x Weight	₱22.13 Million	(₱15,155) Million	0%	(₱15.06) Million	0%	2020 COA Annual Audit Report	<p>Target not met.</p> <p>The computation of the of the validated accomplishment is provided in the table below.</p> <table border="1"> <thead> <tr> <th>PARTICULARS</th> <th>AMOUNT (in Million Pesos)</th> </tr> </thead> <tbody> <tr> <td>Net Income</td> <td>(33.15)</td> </tr> <tr> <td>Add:</td> <td></td> </tr> <tr> <td>Interest Expense</td> <td>18.24</td> </tr> <tr> <td>Tax</td> <td>(0.15)</td> </tr> <tr> <td>Depreciation</td> <td>-</td> </tr> <tr> <td>Amortization</td> <td>-</td> </tr> </tbody> </table>	PARTICULARS	AMOUNT (in Million Pesos)	Net Income	(33.15)	Add:		Interest Expense	18.24	Tax	(0.15)	Depreciation	-	Amortization	-
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³ Based on 2020 projections submitted by PPPI (Gross sales less cost of sales plus service income).

												EBITDA		(15.06)													
		Sub-total		25%						3.23%				2.69%													
SO 4 Achieve Customer Satisfaction																											
SM 5		Percentage of Satisfied Customers		Number of Respondents who gave a Rating of at least Satisfactory / Total Number of Respondents		5%		(Actual / Target) x Weight If Less Than 80% = 0%		90%		No Survey Conducted		0%		No Survey Conducted		0%		Target not met.							
SO 5 Ensure a Transparent and Fair Business Process for Suppliers																											
SM 6		Increase the Number of Suppliers Participating in Procurement		Total Number of Suppliers / Number of Procurement Conducted		2.5%		(Actual / Target) x Weight		Essential Medicine – Average of 10 Suppliers		Essential Medicine – Average of 10 Suppliers		5%		Cannot Be Validated		0%		Procurement Monitoring Report 2020 Trade Bidding Summary		Copies of Bid Documents (Bids and Awards Committee (BAC) Resolutions, Notices to Proceed, Notices of Award,		Reported accomplishment cannot be validated due to insufficient or inconsistent documentation.		The Governance Commission noted that there were nine (9) reported public bidding procurement activities in 2020. Only four (4) of the reported public bidding procurement activities were validated. ⁴	

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⁴ The CGO-A was able to validate the number of suppliers for the following procurement activities: BAC-PO/GOODS 2020-07-009: Early Procurement Activities for FY 2020 Thru Public Competitive Bidding for the Supply and Delivery of Various Commodities For Diabetes Mellitus, Cancer, and Mental Health Programs for the Department of Health; BAC-PO/GOODS 2020-01-002: Public Competitive Bidding for the Supply and Delivery of Various Generic Medicines for the Fourmula 1+Botika ng Bayan (F1+BNB) and Fourmula 1+Botika ng Bayani (F1+BNBi) of the Department of Health-REBID; BAC-PO/GOODS 2020-06-007: Public Competitive Bidding for the Supply and Delivery of Various Cancer Medicines of the Department of Health; and BAC-PO/GOODS 2020-06-008: Public Competitive Bidding for the Supply and Delivery of Various Mental Health Medicines of the Department of Health.

									5%	0%	Invitations for Negotiation, Checklists of Documents, and Invitations to Bid)
										10%	Sub-total
SO 6 Expand Product Lines and Business Partnerships											
SO 6	Introduce New Product Lines and Packages	Absolute Number	5%	(Actual / Target) x Weight	3	3	3	5%	3	5%	Summary of Procured Medicines per Product Line/Package Copies of Bid Documents (Bids and Awards Committee (BAC) Resolutions, Notices to Proceed, Notices of Award, Invitations for Negotiation, Checklists of Documents, and Invitations to Bid)
SM 7										5%	Target met. The new product lines and packages introduced in 2020 are mental health medicines, insulin, and breast and childhood cancer medicines.

INTERNAL PROCESS

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SM 8	Forge New Business Partnerships	Absolute Number	5%	(Actual / Target) x Weight	3 ⁵	1	1.67%	1	1.67%	Memorandum of Agreement (MOA) with PSA	Target not met. The MOA with PSA is for the procurement of various goods needed to conduct the 2020 Census of Population and Housing.
SO 7 Deliver Responsive and Timely Services to Customers											
SM 9	Ensure High Percentage of Orders Delivered on Time	Order Delivered on Time / Total Orders	10%	(Actual / Target) x Weight Lower Than 65% = 0%	100%	67.56%	8%	Cannot Be Validated	0%	Copies of Delivery Receipts	The PPPI submitted copies of delivery receipts, which indicated the end time of the transactions, but failed to submit purchase orders, which would be the reference document for the start date of the transactions. Thus, the Governance Commission was unable to determine the processing time for all transactions.
Sub-total											6.67%
SO 8 Develop Organizational Competencies											
SM 10	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	All or Nothing	Board-Approved Competency Framework ⁶ and Establish Competency Baseline	Only the drafting of the competency framework and the competency matrix was started	0%	No Board-Approved Competency Framework and No Competency Baseline Established	0%	-	Target not met.
SO 9 Institutionalize a Quality Management System											
LEARNING & GROWTH											

⁵ Per PPPI, it plans to enter into business partnerships with the League of Provinces of the Philippines and League of Cities of the Philippines and shall pursue a partnership with the private sector.
⁶ Includes Competency Catalogue, Competency Table, Competency Matrix, Position Profiles, and Competency-Based Job Description.

SM 11	Attain ISO Certification	-	-	-	-	-	-	-	-
	Measure Excluded							0%	
								0%	29.36% out of 95% 30.91% out of 100%

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During the Technical Panel Meeting (TPM) for the 2020 Performance Scorecard, the PPPI represented that the attainment of the corporation's ISO 9001:2015 certification is dependent on the provision of additional funding under a pending Executive Order (E.O.) on the work and financial plan for the establishment of the Pooled Procurement Facility for Medicines (PPFM), wherein the PPPI allocated ₱600,000 for the conduct of the certification audit from 2020 to 2022.

Considering that the pending E.O. was not signed into law and the financial position of the PPPI, the Governance Commission excluded the measure in the 2020 Performance Scorecard.