

**PHILIPPINE POSTAL CORPORATION
2016 Performance Scorecard**

	Objective/Measure	Formula	Weight	PHLPost Submission			GCG Evaluation		Supporting Documents	Remarks										
				Target	Actual	Rating	Score	Rating												
SOCIAL IMPACT	SO 1	Linking People Through Access to Communications and Information, Delivery of Goods and Merchandise, and Provision of Postal Payments by ICT Infrastructure Development																		
	SM 1	Access to eCommerce of Local/ Domestic Micro, Small and/or Medium Entrepreneurs	Number of domestic trade in the PHLPost e-Commerce website	5%	200 domestic trade products available at PHLPost eCommerce website	eCommerce Platform for award to the winning bidder (Awarded on 20 January 2017)	-	N/A	0%	<ul style="list-style-type: none"> - Timeline of activities of the Bids and Awards Committee (BAC) - Requested for Renegotiation <p>PHLPost requested to renegotiate the target for this measure to “e-Commerce platform awarded to winning bidder,” citing reasons of failure of bidding in 2015 and Election Ban in 2016. However, the 2016 Performance Agreement Negotiation (PAN) between the GCG and PHLPost took place on November 2015, while the COMELEC Resolution No. 9981 on 2016 Election Ban was issued as early as August 2015. Thus, PHLPost was expected to have adjusted the timelines for the commitment of this target upon conduct of PAN.</p> <p>Nevertheless, the requested renegotiated target remained unattained as the actual award for the project was only made in January 2017.</p>										
	SM 2	Letter Post Delivery Performance																		
	2.1	Domestic Letter Post Delivery Performance	(Number of samples delivered within standard delivery days) / (Total number of samples)	4%	85% of items delivered within 7 days after posting	85% of items delivered within 7 days after posting	4%	86% of items delivered within 7 days after posting	4%	- 2016 Live Mail Sampling Results	The delivery performance results for this measure consist of Ordinary and Registered Mails, on average. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Domestic</th> <th>Delivery Performance</th> <th>Total Samples</th> </tr> </thead> <tbody> <tr> <td>Ordinary</td> <td>86%</td> <td>109,551</td> </tr> <tr> <td>Registered</td> <td>87%</td> <td>55,875</td> </tr> </tbody> </table>	Domestic	Delivery Performance	Total Samples	Ordinary	86%	109,551	Registered	87%	55,875
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2.2	International Letter Post Delivery Performance	(Number of samples delivered within standard delivery days) / (Total number of samples)	4%	85% of items delivered within 7 days after Customs clearance	88% of items delivered within 7 days after Customs clearance	4%	92% of items delivered within 7 days after posting	4%	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Delivery Performance</th> <th>Total Samples</th> </tr> </thead> <tbody> <tr> <td>International</td> <td>92%</td> <td>5,056</td> </tr> </tbody> </table>		Delivery Performance	Total Samples	International	92%	5,056					
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SM 3	Parcel Post Delivery Performance																			

				PHLPost Submission			GCG Evaluation		Supporting Documents	Remarks						
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3.1	Domestic Parcel Post Delivery Performance	(Number of samples delivered within standard delivery days) / (Total number of samples)	4%	85% of items delivered within 7 days after posting	86% of items delivered within 7 days after posting	4%	89% of items delivered within 7 days after posting	4%	- 2016 Live Mail Sampling Results	<table border="1"> <thead> <tr> <th></th> <th>Delivery Performance</th> <th>Total Samples</th> </tr> </thead> <tbody> <tr> <td>Domestic</td> <td>89%</td> <td>331</td> </tr> </tbody> </table>		Delivery Performance	Total Samples	Domestic	89%	331
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SM 4	Maintain NGAs/NGOs Partners in Payout Services	Number of Payout Partners	5%	4 NGA/NGO payout partners	5 NGA/NGO payout partners	5%	5 NGA/NGO payout partners	5%	- List of Actual Partners and Details of Actual Pay-Out Made	Payout Partners in 2016: <ul style="list-style-type: none"> - OXFAM - Save The Children Philippines, Inc. - ICRC - Philippine Red Cross - DSWD – Social Pension for Indigent Senior Citizens Total cash payouts amounted to ₱9.6 Million.						
	Sub-total		26%			21%		21%								
SO 2	Continued Postal Presence in the Community															
SM 5	Expansion of Postal Outlets	(Number of PHLPost- owned outlets opened) / (Number of franchised postal outlets opened)	5%	184 total postal outlets (92 additional)	22 additional for the year	3.10%	21 additional for the year (113 Total POs)	3.07%	- Requested for Renegotiation	PHLPost requested for target adjustment from 184 to 117 P.O.s citing issues with the LGUs on the franchise of postal outlets. However, the 2015 Renegotiation had already previously allowed target adjustment for this measure, provided that 184 POs will be the target for 2016.						
SO 3	A Customer Centric Postal Service															
SM 6	Customer Satisfaction Rating	% of customers satisfied with PHLPost services	5%	Baseline data for Customer Satisfaction Rating	Customer Satisfaction Survey completed (rating to be obtained from the survey)	5%	Baseline data for Customer Satisfaction rating	5%	- Survey conducted by STRAND-Asia, Inc.	Baseline data for 2016 revealed the following satisfaction rating using the scale of 5: Retail Customers – 4.2 (Service Dimension) Corporate Clients – 3.8 (Products and Services)						

CUSTOMERS & STAKEHOLDERS

				PHLPost Submission			GCG Evaluation		Supporting Documents	Remarks									
	Objective/Measure	Formula	Weight	Target	Actual	Rating	Score	Rating											
	SM 7	Increase Number of Service Agreements with Government Agencies	Number of service agreements with government agencies	3%	19 service agreements	31 service agreements	3%	33 service agreements	3%	- Certification with Listing of New Service Agreements for 2016	Target exceeded by 74%.								
		Sub-total		13%			11.10%		11.07%										
FINANCIAL	SO 4	Institutionalize Sound Fiscal Management Policies																	
	SM 8	Earnings before interest, taxes depreciation and amortization (EBITDA), excluding Franking Privilege reimbursed from National Government	(Gross Revenue - 12% VAT) - (Personal Services + Maintenance, Operating and Other Expenses) - (Taxes + Depreciation + Amortizations)	10%	326 Million	170 Million	8.10%	282.31 Million	8.66%	- Audited Financial Statements - Requested for Renegotiation	<p>PHLPost requested for target adjustment from P326 Million to P210 Million citing several justifications on expenses recorded in 2016 that were not considered when the targets were made during the PAN. To account for the unforeseen expenses, such were added back to the computation of an adjusted EBITDA for 2016, as follows:</p> <table border="1"> <tr> <td>2016 EBITDA (based on FS)</td> <td>P149,046,695</td> </tr> <tr> <td>Add: 14th Month pay</td> <td>P96,424,912</td> </tr> <tr> <td>Provision of salary adjustment for downgraded employees based on Court Decision.</td> <td>P36,839,269</td> </tr> <tr> <td>Adjusted 2016 EBITDA</td> <td>P282,310,876</td> </tr> </table>	2016 EBITDA (based on FS)	P149,046,695	Add: 14th Month pay	P96,424,912	Provision of salary adjustment for downgraded employees based on Court Decision.	P36,839,269	Adjusted 2016 EBITDA	P282,310,876
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SM 9	Postal Payment Services Revenue	Postal Money Order fees + ePost MO fees + Postal identification Card fees + Collection Services commission + Payout Services fees + Biometrics Joint Venture Contract share	12%	700 Million	469 Million	8.04%	469 Million	8.04%	- Audited Financial Statements	<p>PHLPost requested for target adjustment from P700 Million to P400 Million citing the following justifications:</p> <ul style="list-style-type: none"> - Decrease of bills collection counters due to renegotiation of MOA with Bayad Center - Non-flexible pricing of ePostMO - Revised revenue target wherein part of the P700 Million was realigned to retail services <p>However, PHLPost failed to provide the exact corresponding amounts involved per item, and the necessary supporting documents to substantiate said justifications.</p>									

	Objective/Measure	Formula	Weight	PHLPost Submission			GCG Evaluation		Supporting Documents	Remarks						
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	Sub-total		22%			16.14%		16.70%								
INTERNAL PROCESS	SO 5	Maintain the Integrity of the Postal Service														
	SM 10	Quality Certification of Core Processes	Number of core processes with quality certification	5%	Actual conduct of audit for quality certification of core processes in 2016	Completion of pre-acquisition activities for the acquisition of 3 rd Party Quality Certification Services	-	Completion of pre-acquisition activities for the acquisition of 3 rd Party Quality Certification Services	0%	- Requested for Renegotiation	<p>The target was requested for renegotiation by PHLPost, citing lack of PHLPost's direct control over the results of the bidding process following the Election Ban which affected the acquisition of third-party provider to conduct the audit.</p> <p>However, the justification on the effects of the Election Ban in the procurement process of this measure is not something that could not have been foreseen at the time the target was set, hence, may not merit consideration or renegotiation.</p>					
	SM 11	Universal Postal Union Quality of Service Certification	Actual Accomplishment	5%	Actual conduct of audit	UPU Quality Certification Level C (Bronze) – Letter Post	5%	UPU Quality Certification Level C (Bronze) – Letter Post	5%	- UPU Certification	The Quality Certification was issued by Universal Postal Union (UPU) on 3 October 2016 and valid until 2019.					
	SO 6	An Efficient Delivery of Communications, Goods and Payment Services														
	SM 12	<i>Express Post Delivery Performance</i>														
Domestic Express Post Delivery Performance, Committed areas in Metro Manila		(Number of samples delivered within standard delivery days) + (Total number of samples)	5%	90% of items delivered within 1 day after posting	91% of items delivered within 1 day after posting	5%	91% of items delivered within 1 day after posting	5%	- 2016 Live Mail Sampling Results	<table border="1"> <thead> <tr> <th>Domestic</th> <th>Delivery Performance</th> <th>Total Samples</th> </tr> </thead> <tbody> <tr> <td>Metro Manila</td> <td>91%</td> <td>407</td> </tr> </tbody> </table>	Domestic	Delivery Performance	Total Samples	Metro Manila	91%	407
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SO 7 Bridge the Digital Divide in Postal Service															
SM 13	Postal Outlets with Point-of-Sale system	Number of postal outlets with POS installed	2%	Acquisition of POS system	Terms of Reference Drafted	-	Draft TOR signed by Corporate Secretary	0%	- Letter Endorsement of PHLPost Enterprise System Project to DICT for Review dated 9 November 2016 - Request for Renegotiation	PHLPost initiated the submission of the Terms of Reference for the POS system to the Department of Information and Communications (DICT) in 2016 for further review and evaluation. While the same formed part of due diligence on the part of PHLPost, timelines for the accomplishment of this target is within PHLPost's control.					
SM 14	Postal Outlets with Internet Connectivity	Number of postal outlets with Internet connectivity	3%	60% of regular postal outlets	33% of postal outlets (406 out of 1,229 postal outlets)	-	33% of postal outlets (406 out of 1,229 postal outlets)	1.65%	- List of Post Office with connectivity - Requested for Renegotiation	PHLPost realigned its plan with respect to the installation of internet connectivity, giving priority to postal outlets that are revenue-generating instead of geographical considerations. Going to areas where outlets do not generate income proved to be costly since there were issues with internet service providers. The change in operational strategy for this measure resulted to the partial accomplishment of the target, resulting to only 33% of total postal outlets with internet connectivity, short of 27% from the original target.					
	Sub-total		34%			24%		25.65%							

				PHLPost Submission			GCG Evaluation		Supporting Documents	Remarks	
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LEARNING AND GROWTH	SO 8	An Effectual Human Resources Management and Development									
	SM 15	Competency Framework	Actual Accomplishment	3%	Competency framework in accordance with the policies prescribed by GCG	Competency Model being conceptualized	-	N/A	0%	- Requested for Renegotiation	To serve as guide relative to GOCCs that committed in their Performance Scorecard a target to develop a Competency Framework or Competency Model, Frequent Asked Questions (FAQs) on Competency Framework was uploaded on the GCG website in September 2015. However, PHLPost failed to develop its own Competency Framework in 2016.
	SM 16	Maintain Conduct of Frontline and Operations-related Trainings	Number of batch of frontline and operations-related training conducted	2%	36 batches of frontline and operational-related trainings	39 batches of frontline and operational-related trainings	2%	39 batches of frontline and operational-related trainings	2%	- List of Training Programs	A total of 6,579 PHLPost personnel participated in the listed trainings consisting of 39 batches.
		Sub-total		5%			2%		2%		
		VALIDATED TOTAL		100%			74.24%		76.42%		