

**PHILIPPINE PHARMA PROCUREMENT, INC. (PPPI)**  
**Validation Result of the 2021 Performance Scorecard**

| Component            |  |  |               |   | PPPI Submission  |        | GCG Evaluation |                     | Supporting Documents | GCG Remarks  |   |
|----------------------|--|--|---------------|---|------------------|--------|----------------|---------------------|----------------------|--|---|
| Objective/Measure    | Formula  | Weight   | Rating System | Target  | Actual           | Rating | Actual         | Rating              |                      |  |   |
| <b>SOCIAL IMPACT</b> | <b>SO 1 Provide Access to Affordable Essential Medicines through Service Delivery Networks (SDNs)</b>                                |  |               |   |                  |        |                |                     |                      |  |   |
| SM 1                 | Increase the Number of PhilHealth Z-Benefit Contracted Government Hospitals <sup>1</sup> 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<br>If Less Than 65% = 0% | 90%              | 82%    | 18.2%          | Cannot be validated | 0%                   | Copies of Agency Outsourcing Request Allocation List Annual Sales Report Copies of Delivery Receipts | PPPI served nine (9) Z-Benefit contracted government hospitals. <sup>2</sup> However, PPPI failed to provide the list of Z-benefit contracted government hospitals as of 31 December 2021. Hence, the accomplishment cannot be established. |
| SM 2                 | Expand the Number of Provinces and NCR Districts Served through Pooled Procurement   | Total Number of Provinces and Districts Served / Total Number of Provinces and Districts <sup>3</sup>    | 15%           | (Actual / Target) x Weight                          | 27% <sup>4</sup> | 66%    | 15%            | Cannot be validated | 0%                   | List of Provinces Served Allocation List Annual Sales Report   | PPPI failed to provide the necessary information, such as the sequential number and dates of Delivery Receipts. The Governance Commission cannot objectively validate the submitted list due to   |

<sup>1</sup> Only includes government hospitals offering the Z-Benefit Package with medicine requirements for acute lymphocytic leukemia, breast cancer, cervical cancer, prostate cancer, and colon and rectum cancer.

<sup>2</sup> Baguio General Hospital and Medical Center, Batangas Medical Center, Bicol Medical Center, Bicol Regional Training and Teaching Hospital, Corazon Locsin Montelibano Memorial Regional Hospital, East Avenue Medical Center, Dr. Jose B. Lingad Memorial Regional Hospital, UP Philippine General Hospital, and Vicente Sotto Memorial Medical Center

<sup>3</sup> The total number of provinces is 81 and the total number of NCR districts is four (4). Thus, the denominator for this formula is 85.

<sup>4</sup> The 27% was derived considering the initial proposal of 23 and the average number of provinces and NCR districts served from 2016-2020.



| Component         |   |   |               |                            | PPPI Submission  |                 | GCG Evaluation |                 | Supporting Documents        | GCG Remarks                  |  |
|-------------------|---|---|---------------|----------------------------|------------------|-----------------|----------------|-----------------|-----------------------------|------------------------------|--|
| Objective/Measure | Formula                                     | Weight  | Rating System | Target                     | Actual           | Rating          | Actual         | Rating          |                             |                              |  |
|                   |   |   |               |                            |                  |                 |                |                 | Copies of Delivery Receipts | insufficient documentation.  |  |
|                   | <b>Sub-total</b>                            |   | <b>35%</b>    |                            |                  |                 | 33.2%          |                 | 0%                          |                              |  |
| <b>SO 2</b>       | <b>Grow Revenues</b>                        |   |               |                            |                  |                 |                |                 |                             |                              |  |
| SM 3              | Improve Gross Revenues                      | Sales Revenue + Service Income                                    | 15%           | (Actual / Target) x Weight | ₱136.073 Million | ₱47.241 Million | 5.2%           | ₱47.241 Million | 5.13%                       | 2021 COA Annual Audit Report | Target not met.  |
| <b>SO 3</b>       | <b>Sustain the Organization's Viability</b> |   |               |                            |                  |                 |                |                 |                             |                              |  |
| SM 4              | Maintain a Positive EBITDA                  | Net Income + Interest Expense + Tax + Depreciation + Amortization | 10%           | (Actual / Target) x Weight | ₱22.416 Million  | ₱4.311 Million  | 1.9%           | ₱4.367 Million  | 1.95%                       | 2021 COA Annual Audit Report | Target not met.<br>The computation of the validated accomplishment is provided in the table below. |
|                   | <b>Sub-total</b>                            |   | <b>25%</b>    |                            |                  |                 | 7.1%           |                 | 7.08%                       |                              |  |
| <b>CU</b>         | <b>SO 4</b>                                 | <b>Achieve Customer Satisfaction</b>                              |               |                            |                  |                 |                |                 |                             |                              |  |

FINANCIAL

| Particulars     | Amount<br>(in Php Pesos) |
|-----------------|--------------------------|
| P/(L) after Tax | (4,509,180)              |
| Add:            |                          |
| Depreciation    | 25,458                   |
| Interest Income | 9,018,945                |
| Tax             | (168,947)                |
| <b>EBITDA</b>   | <b>4,366,276</b>         |



| Component  |   |  |                 |   | PPPI Submission                              |        | GCG Evaluation |   | Supporting Documents | GCG Remarks   |   |  |
|--|---|--|-----------------|---|--|--------|----------------|---|----------------------|---|---|--|
| Objective/Measure  | Formula   | Weight   | Rating System   | Target  | Actual                                       | Rating | Actual         | Rating                                    |                      |   |   |  |
| 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<br>If Less Than 80% = 0% | 90%  | -      | 0%             | No Customer Satisfaction Survey conducted | 0%                   | -   | Target not met.   |  |
| <b>SO 5 Ensure a Transparent and Fair Business Process for Suppliers</b> |   |  |                 |   |  |        |                |   |                      |   |   |  |
| SM 6   | Increase the Number of Suppliers Participating in Procurement | Total Number of Suppliers / Number of Procurement Conducted                                    | 2.5%            | (Actual / Target) x Weight                          | Specialty Medicine – Average of 3 Suppliers  | 5.70   | 2.5%           | Cannot be validated                       | 0%                   | Procurement Monitoring Report<br>Copies of Abstract of Bids<br>Copies of Actual Bid Documents | The Governance Commission was able to validate the reported medicines procured in 2021 and the total number of suppliers (19). However, PPPI failed to provide the guidelines/basis on how to categorize whether the medicine procured is specialty or essential. |  |
|  |   |  | 2.5%            |   | Essential Medicine – Average of 10 Suppliers | 4.80   | 1.2%           |   |                      |   |   |  |
| <b>Sub-total</b>   |   |  | <b>10%</b>      |   |  |        | <b>3.7%</b>    |   | <b>0%</b>            |   |   |  |
| <b>SO 6 Expand Product Lines and Business Partnerships</b>               |   |  |                 |   |  |        |                |   |                      |   |   |  |
| <b>INTERNAL PROCESS</b>  | SM 7  | Introduce New Product Lines and Packages   | Absolute Number | 5%  | (Actual / Target) x Weight                   | 3      | 2              | 3.3%                                      | 2                    | 3.33%   | Copies of Notices of Awards<br>Notice to Proceed of Winning Bidders<br>Sales Invoices of the Suppliers  | Target not met.<br>The new product lines and packages introduced in 2021 are Tuberculin Solution PPD 2TU sourced from L. Meyer and Pediatric TB Medicines sourced from SGS Healthcare. |

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| Objective/Measure   |   | Component   |            |   | PPPI Submission  |                   | GCG Evaluation |  | Supporting Documents | GCG Remarks   |  |
|---|---|---|------------|---|--|-------------------|----------------|--|----------------------|---|--|
|   |   | Formula   | Weight     | Rating System                                     | Target   | Actual            | Rating         | Actual   |                      |   | Rating   |
| SM 8  | Forge New Business Partnerships   | Absolute Number   | 5%         | (Actual / Target) x Weight                        | 3 <sup>5</sup>   | 2                 | 3.3%           | 2  | 3.33%                | Memoranda of Agreement  | Target not met.<br>PPPI was able to forge a partnership with the Department of Health (DOH) – Bicol Center for Health Development (CHD) and the DOH Zamboanga Peninsula CHD. |
| <b>SO 7 Deliver Responsive and Timely Services to Customers</b> |   |   |            |   |  |                   |                |  |                      |   |  |
| SM 9  | Percentage of Services <sup>6</sup> Completed Within Applicable Turnaround Time | Actual Accomplishment   | 5%         | All or Nothing                                    | Submission of Updated Citizen's Charter to ARTA <sup>7</sup> | Submitted to ARTA | 5%             | Citizen's Charter submitted to ARTA on 29 March 2022 | 0%                   | Citizen's Charter as submitted to ARTA                        | Target not met.<br>The date of submission is beyond the performance year being evaluated.  |
|   |   | Transactions Completed Within Applicable Turnaround Time / Total Transactions | 5%         | (Actual / Target) x Weight<br>Lower Than 65% = 0% | 100%   | 32%               | 0%             | Cannot be validated                                  | 0%                   | Monitoring Report on Delivery Timeliness<br>Delivery Receipts | PPPI failed to provide the monitoring sheet detailing the start and end dates of each transaction. Further, PPPI provided incomplete transaction documents.                  |
|   |   | <b>Sub-total</b>  | <b>20%</b> |   |  |                   | <b>11.7%</b>   |  | <b>6.66%</b>         |   |  |

<sup>5</sup> 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 League of Municipalities.

<sup>6</sup> Includes the services order delivery, warehousing, and forwarding. Processing time shall be based on the Citizen's Charter of PPPI in accordance with its compliance with the Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

<sup>7</sup> Non-attainment of this target would automatically lead to a rating for the other target for this measure.

|                   |         | Component   |                       |            |                | PPPI Submission   |              | GCG Evaluation |   | Supporting Documents | GCG Remarks |                 |
|-------------------|---------|---|-----------------------|------------|----------------|---|--------------|----------------|---|----------------------|-------------|-----------------|
| Objective/Measure | Formula | Weight  | Rating System         | Target     | Actual         | Rating  | Actual       | Rating         |   |                      |             |                 |
| LEARNING & GROWTH | SO 8    | Develop Organizational Competencies                   |                       |            |                |   |              |                |   |                      |             |                 |
|                   | SM 10   | Percentage of Employees Meeting Required Competencies | Actual Accomplishment | 5%         | All or Nothing | Board-Approved Competency Framework <sup>8</sup> and Establish Competency Baseline <sup>9</sup> | -            | 0%             | No Board-Approved Competency Framework and No Competency Baseline Established | 0%                   | -           | Target not met. |
|                   | SO 9    | Institutionalize a Quality Management System          |                       |            |                |   |              |                |   |                      |             |                 |
|                   | SM 11   | Attain ISO Certification                              | Actual Accomplishment | 5%         | All or Nothing | ISO 9001:2015 Certification   | -            | 0%             | ISO 9001:2015 Certificate Not Attained  | 0%                   | -           | Target not met. |
|                   |         |   | <b>Sub-total</b>      | <b>10%</b> |                |   |              | <b>0%</b>      |   | <b>0%</b>            |             |                 |
|                   |         | <b>TOTAL</b>  | <b>100%</b>           |            |                |   | <b>55.7%</b> |                | <b>13.74%</b>   |                      |             |                 |

<sup>8</sup> Includes Competency Catalogue, Competency Table, Competency Matrix, Position Profiles, and Competency-Based Job Description.

<sup>9</sup> The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{b=1}^B \left[ \frac{\sum_{a=1}^A (\text{Actual Competency Level})_a}{A} \right]}{B}$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled.

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