



29 December 2020

MR. NORMAN N. FULGENCIO

Chairman

MR. JOEL L. OTARRA

Postmaster General

PHILIPPINE POSTAL CORPORATION (PHLPost)

3rd Floor Central Office Building

Liwasang Bonifacio, Manila

**RE : VALIDATION RESULT OF PHLPost's
2019 PERFORMANCE SCORECARD**

Dear Chairman Fulgencio and Postmaster General Otarra,

This is to formally transmit the validation result of PHLPost's 2019 Performance Scorecard. Based on the Governance Commission's validation of the GOCC's documentary submissions, PHLPost gained an overall score of **80.44%** (See **Annex A**). The same is to be posted in PHLPost's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

In relation to the grant of 2019 PBB to eligible officers and employees, PHLPost fails to satisfy the requirements of GCG M.C. No. 2019-02,² particularly the achievement of a weighted-average score of at least 90% in its 2019 Performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.³

Consequently, pursuant to GCG M.C. No. 2018-04,⁴ failure to qualify for the PBB means that the Appointive Members of the Governing Board of PHLPost shall not be qualified to receive the Performance-Based Incentive (PBI).

FOR PHLPost's INFORMATION AND GUIDANCE.

Very truly yours,

cc: COA Resident Auditor – PHLPost

¹ Code of Corporate Governance for GOCCS, dated 28 November 2012.

² Interim Performance-Based Bonus (PBB).

³ GOCC Governance Act of 2011.

⁴ Interim Performance-Based Incentive (PBI) System for Appointive Directors of GOCCs covered by GCG for 2016 and for the Years Thereafter.

PHILIPPINE POSTAL CORPORATION
Validated 2019 Performance Scorecard

Component					GOCC Submission		GCG Validation		Supporting Documents	Remarks														
Objective/ Measure	Formula	Weight	Rating Scale ^{a/}	Target	Actual	Rating	Score	Rating																
SOCIAL IMPACT	SO 1	Linked People with Access to Communication Services, Delivery of Goods and Merchandise, and Provision of Postal Payments																						
	SM 1	Postal Traffic <i>(in Million Pieces)</i>																						
		1.1 Volume of Postal Transactions Handled	Actual Figure	8%	Actual/Target x Weight	61.86	100.27	8%	100.27	8%	- Reports on the 2019 Volumes of Transactions Accepted and Postal Items Delivered - Area Consolidated Monthly Report	<table border="1"> <thead> <tr> <th>Quarter</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>1st</td> <td>27,398,392</td> </tr> <tr> <td>2nd</td> <td>28,165,420</td> </tr> <tr> <td>3rd</td> <td>30,840,901</td> </tr> <tr> <td>4th</td> <td>13,865,227</td> </tr> <tr> <td>Total</td> <td>100,269,940</td> </tr> </tbody> </table>	Quarter	Volume	1st	27,398,392	2nd	28,165,420	3rd	30,840,901	4th	13,865,227	Total	100,269,940
		Quarter		Volume																				
	1st	27,398,392																						
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Total	100,269,940																							
1.2 Volume of Postal Items Delivered	5%	8.86	7.80	4.40%	7.80	4.40%	<table border="1"> <thead> <tr> <th>Quarter</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>1st</td> <td>2,124,302</td> </tr> <tr> <td>2nd</td> <td>1,808,954</td> </tr> <tr> <td>3rd</td> <td>1,772,200</td> </tr> <tr> <td>4th</td> <td>2,095,746</td> </tr> <tr> <td>Total</td> <td>7,801,202</td> </tr> </tbody> </table>	Quarter	Volume	1st	2,124,302	2nd	1,808,954	3rd	1,772,200	4th	2,095,746	Total	7,801,202					
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2nd	1,808,954																							
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4th	2,095,746																							
Total	7,801,202																							
Sub-total		13%				12.40%		12.40%																
STAKEHOLDERS	SO 2	Continue Postal Services in the Community Through Sustainable Partnership with Public and Private Entities																						
	SM 2	Expansion of Postal Outlets	Number of Postal Outlets: PHLPost-operated, LGU-operated and private-operated	5%	Actual/Target x Weight	Additional 63 [from 2018 baseline] <ul style="list-style-type: none"> 50 LGU-operated 13 mall-based or privately-operated 	Additional 7 postal outlets	2.69%	Additional 6 (out of 13 postal outlets)* *50 LGU-operated outlets excluded	2.31%	<ul style="list-style-type: none"> PHLPost Letter Request for Exclusion DILG-PLHPOST Joint MC re. LGU/ Brgy-Operated Postal Station PHLPost EXECOM Reso. No. 2020-04 MOA for the Establishment of Postal Station in Loboc, Bohol CPD Memo on the Communications with DILG 	On 17 Dec 2019, PHLPost requested the exclusion of 50 LGU-operated postal outlets from the target since the implementing documents were still under review by the DILG, which are considered as external factors. As to the remaining target of 13 postal outlets, the following were opened in 2019: <ul style="list-style-type: none"> 1 mall-based; and 5 privately-operated. 												

PHLPost Validated 2019 Performance Scorecard

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Objective/ Measure		Formula	Weight	Rating Scale ^{a/}	Target	Actual	Rating	Score	Rating												
FINANCIAL	SM 3	Maintained NGAs/NGOs Partners for Payout Services	Actual Number	5%	Actual/Target x Weight	5	6	5%	6	5%	- Updated List of Contracts as of 31 Dec 2019 - 2019 Quarterly Reports on Cash Pay-outs Services	Payout partners in 2019 are: 1. Save the Children Philippines 2. International Committee of the Red Cross 3. Philippine Red Cross 4. DSWD – Social Pension for Indigent Senior Citizens 5. OXFAM 6. Citizens' Disaster Response Center, Inc.									
	SO 3	Enhance Postal Service Experience to Customers and Partners Through Proactive Customer Service Management																			
	SM 4	Percentage of Satisfied Customers	Number of respondents giving at least a Satisfactory rating / Total number of respondents	10%	Actual / Target x Weight <i>0% = If less than 80%</i>	90%*	84% 88% - Individual Customers 80% - Corporate Customers	9.33%	91.10%	0%	- Executive Summary for the Conduct of Market Research Services for PHLPost prepared by Nielsen Team - Sample Survey Instrument and Accomplished Questionnaires	Out of 1,720 respondents, 1,567 (91.1%) gave at least a satisfactory rating. The conducted 2019 CSS, however, did not meet the following requirements: • Data Gathering Method; • Sampling Procedures; • Completeness of Survey Instrument; and • Data Quality Control Procedures.									
		Sub-total		20%				17.03%		7.31%											
FINANCIAL	SO 4	Ensured Financial Efficiency and Growth																			
	SM 5	Revenues	Total Revenues	6%	Actual/Target x Weight	3,535 Million	4,726.95 Million	6%	4,181 Million	6%	- 2019 COA-audited Financial Statements (FS) - Notes to FS	<table border="1"> <thead> <tr> <th>Income</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Service</td> <td>3,607,687,687</td> </tr> <tr> <td>Business</td> <td>562,539,881</td> </tr> <tr> <td>Other</td> <td>10,468,960</td> </tr> <tr> <td>TOTAL</td> <td>4,180,696,528</td> </tr> </tbody> </table>	Income	Amount	Service	3,607,687,687	Business	562,539,881	Other	10,468,960	TOTAL
Income	Amount																				
Service	3,607,687,687																				
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TOTAL	4,180,696,528																				

* Using the Standard Methodology and Questionnaire developed by GCG.

Component					GOCC Submission		GCG Validation		Supporting Documents	Remarks															
Objective/ Measure		Formula	Weight	Rating Scale ^{a/}	Target	Actual	Rating	Score			Rating														
SM 6	Earnings before interest, taxes, depreciation and amortization (EBITDA)	EBITDA Excluding Subsidies (Franking Privilege reimbursed from National Government and from non-shareholders)	6%	Actual/Target x Weight	30 Million	80.13 Million	6.00%	69.63 Million	6.00%	- 2019 COA-audited FS - Notes to FS - PHLPost supporting schedule on EBITDA	<table border="1"> <thead> <tr> <th>Item</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Net Income</td> <td>1,241,812</td> </tr> <tr> <td>Add: Taxes</td> <td>520,051</td> </tr> <tr> <td>Dep'n.</td> <td>78,081,152</td> </tr> <tr> <td>Interest</td> <td>785,347</td> </tr> <tr> <td>Less: PS Cost</td> <td>(11,000,000)</td> </tr> <tr> <td>EBITDA</td> <td>69,628,362</td> </tr> </tbody> </table>	Item	Amount	Net Income	1,241,812	Add: Taxes	520,051	Dep'n.	78,081,152	Interest	785,347	Less: PS Cost	(11,000,000)	EBITDA	69,628,362
											Item	Amount													
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EBITDA	69,628,362																								
Sub-total			12%				12%		12%																
SO 5	Sustain Efficiency and Reliability in the Delivery of Postal Items and Provision of Payment Services by Quality Processes and Procedures																								
INTERNAL PROCESS	<i>Express Post Delivery Performance</i>																								
	SM 7	7.1. Domestic Express Post Delivery Performance, Committed Areas in Metro Manila	Percentage of Postal Items Delivered within the Standard Turnaround Time	6%	Actual/Target x Weight	90% of items delivered within 1 day after posting	87% of items delivered within 1 day after posting	6.00%	86.97% of items delivered within 1 day after posting	5.80%	- Live Mail Sampling Results generated by Service Regulations Department	<table border="1"> <tbody> <tr> <td>Total Samples Delivered</td> <td>641</td> </tr> <tr> <td>Total Number of Samples</td> <td>737</td> </tr> <tr> <td>Delivery Rate</td> <td>86.97%</td> </tr> </tbody> </table>	Total Samples Delivered	641	Total Number of Samples	737	Delivery Rate	86.97%							
		Total Samples Delivered		641																					
		Total Number of Samples		737																					
Delivery Rate	86.97%																								
7.2. Domestic Express Post Delivery Performance, Committed Areas outside of Metro Manila	6%	Actual/Target x Weight	90% of items delivered within 3 days after posting	85% of items delivered within 3 days after posting	5.80%	85.32% of items delivered within 3 days after posting	5.67%	<table border="1"> <tbody> <tr> <td>Total Samples Delivered</td> <td>436</td> </tr> <tr> <td>Total Number of Samples</td> <td>511</td> </tr> <tr> <td>Delivery Rate</td> <td>85.32%</td> </tr> </tbody> </table>	Total Samples Delivered	436	Total Number of Samples	511	Delivery Rate	85.32%											
Total Samples Delivered	436																								
Total Number of Samples	511																								
Delivery Rate	85.32%																								
7.3. International Express Post Delivery Performance, Committed Areas Handled by Express Mail Exchange Dept.	6%	Actual/Target x Weight	95% of items delivered within 1 day after Customs clearance	96% of items delivered within 1 day after Customs clearance	6.00%	96.07% of items delivered within 1 day after Customs clearance	6.00%	<table border="1"> <tbody> <tr> <td>Total Samples Delivered</td> <td>1,612</td> </tr> <tr> <td>Total Number of Samples</td> <td>1,678</td> </tr> <tr> <td>Delivery Rate</td> <td>96.07%</td> </tr> </tbody> </table>	Total Samples Delivered	1,612	Total Number of Samples	1,678	Delivery Rate	96.07%											
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PHLPost Validated 2019 Performance Scorecard

Component					GOCC Submission		GCG Validation		Supporting Documents	Remarks							
Objective/ Measure		Formula	Weight	Rating Scale ^{a/}	Target	Actual	Rating	Score			Rating						
	7.4. International Express Post Delivery Performance, Committed Areas Outside of Those Handled by Express Mail Exchange Dept.		6%	Actual/Target x Weight	95% of items delivered within 3 days after Customs clearance	87% of items delivered within 3 days after Customs clearance	5.68%	87.06% of items delivered within 3 days after Customs clearance	5.50%		<table border="1"> <tr> <td>Total Samples Delivered</td> <td>538</td> </tr> <tr> <td>Total Number of Samples</td> <td>618</td> </tr> <tr> <td>Delivery Rate</td> <td>87.06%</td> </tr> </table>	Total Samples Delivered	538	Total Number of Samples	618	Delivery Rate	87.06%
	Total Samples Delivered	538															
	Total Number of Samples	618															
Delivery Rate	87.06%																
SM 8	International Parcel post delivery performance	Percentage of Postal Items Delivered within the Standard Turnaround Time	4%	Actual/Target x Weight	85% of items delivered within 7 days after Customs clearance	84% of items delivered within 7 days after Customs clearance	4.00%	83.56% of items delivered within 7 days after Customs clearance	3.93%	- Live Mail Sampling Results generated by Service Regulations Department	<table border="1"> <tr> <td>Total Samples Delivered</td> <td>1,088</td> </tr> <tr> <td>Total Number of Samples</td> <td>1,302</td> </tr> <tr> <td>Delivery Rate</td> <td>83.56%</td> </tr> </table>	Total Samples Delivered	1,088	Total Number of Samples	1,302	Delivery Rate	83.56%
Total Samples Delivered	1,088																
Total Number of Samples	1,302																
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Letter Post Delivery Performance																	
SM 9	9.1. Domestic Ordinary Letter Post Delivery Performance	Percentage of Postal Items Delivered within the Standard Turnaround Time	4%	Actual/Target x Weight	85% of items delivered within 7 days after posting	82% of items delivered within 7 days after posting	4.00%	82.40% of items delivered within 7 days after posting	3.88%	- Live Mail Sampling Results generated by Service Regulations Department	<table border="1"> <tr> <td>Total Samples Delivered</td> <td>74,621</td> </tr> <tr> <td>Total Number of Samples</td> <td>90,560</td> </tr> <tr> <td>Delivery Rate</td> <td>82.40%</td> </tr> </table>	Total Samples Delivered	74,621	Total Number of Samples	90,560	Delivery Rate	82.40%
	Total Samples Delivered		74,621														
	Total Number of Samples		90,560														
Delivery Rate	82.40%																
9.2. Domestic Registered Letter Post Delivery Performance	4%	Actual/Target x Weight	85% of items delivered within 7 days after posting	84% of items delivered within 7 days after posting	4.00%	83.84% of items delivered within 7 days after posting	3.95%	<table border="1"> <tr> <td>Total Samples Delivered</td> <td>43,402</td> </tr> <tr> <td>Total Number of Samples</td> <td>51,770</td> </tr> <tr> <td>Delivery Rate</td> <td>83.84%</td> </tr> </table>	Total Samples Delivered	43,402	Total Number of Samples	51,770	Delivery Rate	83.84%			
Total Samples Delivered	43,402																
Total Number of Samples	51,770																
Delivery Rate	83.84%																
9.3. International Letter Post Delivery Performance	4%	Actual/Target x Weight	85% of items delivered within 7 days after Customs clearance	86% of items delivered within 7 days after Customs clearance	4.00%	86.38% of items delivered within 7 days after Customs clearance	4.0%	<table border="1"> <tr> <td>Total Samples Delivered</td> <td>4,466</td> </tr> <tr> <td>Total Number of Samples</td> <td>5,170</td> </tr> <tr> <td>Delivery Rate</td> <td>86.38%</td> </tr> </table>	Total Samples Delivered	4,466	Total Number of Samples	5,170	Delivery Rate	86.38%			
Total Samples Delivered	4,466																
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Component					GOCC Submission		GCG Validation		Supporting Documents	Remarks							
Objective/ Measure	Formula	Weight	Rating Scale ^{a/}	Target	Actual	Rating	Score	Rating									
SO 6	Uphold Postal Service Integrity by Strengthening Security in Postal Processes																
SM 10	ISO Certification	Actual Accomplishment	5%	All or Nothing	ISO 9001:2015 Certification of Manila Central Post Office	Implementa-tion of Quality Management System (QMS)	0.0%	Preparatory Activities for ISO Cert.	0.0%	- Report on the Updates of ISO Activities as of 4 th Quarter 2019	PHLPost's accomplishments only represent the preparatory steps towards the actual certification, failing to achieve its target during the year.						
SO 7	Improve Efficiencies in the Postal Service Through Innovation and ICT																
SM 11	Percentage of Postal Outlets with Internet Connectivity Enabling Track and Trace	Number of Post Offices with Internet Connectivity / Total Number of Post Offices as of end of previous year	5%	Actual/ Target x Weight	60% of Postal Outlets	63%	5%	60.68%	5%	- Certification from MIS Department of PHLPost - List of the 798 Post Offices with Connectivity - Memo on Total Post Offices as of 31 Dec 2019	<table border="1"> <tr> <td>Total Post Offices</td> <td>1,315</td> </tr> <tr> <td>Total Post Offices with Enabled Track and Trace</td> <td>798</td> </tr> <tr> <td>Accomplishment</td> <td>60.68%</td> </tr> </table>	Total Post Offices	1,315	Total Post Offices with Enabled Track and Trace	798	Accomplishment	60.68%
Total Post Offices	1,315																
Total Post Offices with Enabled Track and Trace	798																
Accomplishment	60.68%																
Sub-total			50%				44.48%		43.73%								
SO 8	Developed and Managed Competencies of Effectual and Competent Human Resources																
SM 12	Percentage of Employees Meeting Required Competencies	Personnel meeting Required Competencies/ Total Number of Personnel	3%	Actual/ Target x Weight	50% of Frontline Personnel Meeting Required Technical Competencies	1,891 Frontline Personnel Meeting Required Technical Competencies	3%	60.76% Frontline Personnel Meeting Required Technical Competencies	3%	- Summary of Competency Assessment Results for Front Line Positions	In 2019, the assessment of 3,112 frontline personnel was completed. It was determined that 1,891 met the required technical competencies of their positions.						

LEARNING & GROWTH

PHLPost Validated 2019 Performance Scorecard

Component					GOCC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/ Measure		Formula	Weight	Rating Scale ^{a/}	Target	Actual	Rating	Score			Rating
		Actual Accomplishment	2%	Actual/ Target x Weight	Establish Baseline Data on Non-Technical Competencies of Frontline Personnel (Postmasters, Tellers and Letter Carriers)	3,112	2%	28.41% Frontline Personnel Meeting Required Non-Technical Competencies	2%	- Competency Assessment and Project Implementation for 2019	In 2019, the assessment of 3,112 frontline personnel was completed. It was determined that 884 met the required non-technical competencies of their positions.
Sub-total			5%				5%		5%		
TOTAL			100%				90.91%		80.44%		

a/ But not to exceed the weight assigned per indicator.