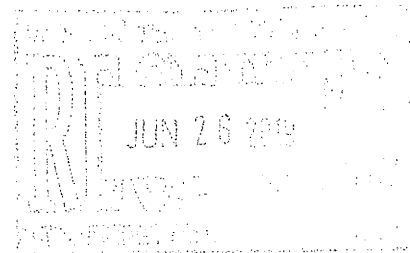




19 June 2019

**MR. NORMAN N. FULGENCIO**  
*Chairman*

**MR. JOEL L. OTARRA**  
*Postmaster General (PMG) & CEO*  
**PHILIPPINE POSTAL CORPORATION (PHLPost)**  
3<sup>rd</sup> Floor Central Office Building  
Liwasang Bonifacio, Manila



**RE : VALIDATION RESULT OF PHLPost's  
2018 PERFORMANCE SCORECARD**

Dear Chairman Fulgencio and PMG Otarra,

This is to formally transmit the validation result of PHLPost's 2018 Performance Scorecard. Based on the Governance Commission's validation of documentary submissions and conduct of on-site validation on 27 March 2019, PHLPost gained an over-all score of **80.49%** (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.<sup>1</sup>

In line with Item 2 of **GCG M.C. No. 2017-01**<sup>2</sup> particularly the achievement of a weighted-average score of at least 90% in its Performance Scorecard, PHLPost is ineligible to grant the Performance Based Bonus (PBB) to its officers and employees in 2018. 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.<sup>3</sup>

Consequently, pursuant to GCG M.C. No. 2016-01,<sup>4</sup> 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 YOUR INFORMATION AND GUIDANCE.**

Very truly yours,

**SAMUEL G. DAGPIN, JR.**  
*Chairman*

**MICHAEL P. CLORIBEL**  
*Commissioner*

**MARITES C. DORAL**  
*Commissioner*

cc: COA Resident Auditor – PHLPost

<sup>1</sup> Code of Corporate Governance for GOCCs, dated 28 November 2012.

<sup>2</sup> Interim Performance-Based Bonus, dated 09 June 2017.

<sup>3</sup> GOCC Governance Act of 2011.

<sup>4</sup> Compensation Framework for Members of the GOCC Governing Boards, dated 10 May 2016.

**PHILIPPINE POSTAL CORPORATION (PHLPost)**  
**Validated 2018 Performance Scorecard**

Component				PHLPost Submission			GCG Validation		Supporting Documents	Remarks													
Objective/ Measure	Formula	Weight	Rating Scale <sup>a/</sup>	Target	Actual	Rating	Score	Rating															
SO 1	Linked People with Access to Communication and Information, Delivery of Goods and Merchandise, and Provision of Postal Payments																						
SM 1	Annual Transactions Handled (in Million Pieces)																						
	1.1 Volume of Transactions Accepted	Actual Figure	12%	Actual/Target x Weight	60.75	51.97	10.27%	51.97	10.27%	- Postal Traffic Accomplishment Report for 2018	<table><tr><th>Quarter</th><th>Volume</th></tr><tr><td>1st</td><td>13,557,022</td></tr><tr><td>2nd</td><td>13,184,697</td></tr><tr><td>3rd</td><td>12,821,086</td></tr><tr><td>4th</td><td>12,409,278</td></tr><tr><td>Total</td><td>51,972,083</td></tr></table>	Quarter	Volume	1st	13,557,022	2nd	13,184,697	3rd	12,821,086	4th	12,409,278	Total	51,972,083
	Quarter		Volume																				
	1st	13,557,022																					
	2nd	13,184,697																					
3rd	12,821,086																						
4th	12,409,278																						
Total	51,972,083																						
1.2 Volume of Mail Delivered	4%	8.61	9.17	4%	9.17	4%	- Area Consolidated Monthly Report	<table><tr><th>Quarter</th><th>Volume</th></tr><tr><td>1st</td><td>2,485,872</td></tr><tr><td>2nd</td><td>2,218,634</td></tr><tr><td>3rd</td><td>2,331,265</td></tr><tr><td>4th</td><td>2,131,667</td></tr><tr><td>Total</td><td>9,167,438</td></tr></table>	Quarter	Volume	1st	2,485,872	2nd	2,218,634	3rd	2,331,265	4th	2,131,667	Total	9,167,438			
Quarter	Volume																						
1st	2,485,872																						
2nd	2,218,634																						
3rd	2,331,265																						
4th	2,131,667																						
Total	9,167,438																						
Sub-total		16%					14.27%		14.27%														
SO 2	Continued Postal Presence in Every Filipino Community																						
SM 2	Number of Maintained NGAs and/or 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 2018 - Memorandum of Agreement with Citizens' Disaster Response Center, Inc. - 2018 Cash Pay-outs Services Report	Target exceeded. Payout partners in 2018 include: 1. Save The Children Philippines; 2. OXFAM; 3. International Committee of the Red Cross; 4. Philippine Red Cross; and 5. DSWD – Social Pension for Indigent Senior Citizens 6. Citizens' Disaster Response Center, Inc.												

SOCIAL IMPACT

STAKEHOLDERS

	Component				PHLPost Submission		GCG Validation		Supporting Documents	Remarks														
	Objective/ Measure	Formula	Weight	Rating Scale <sup>a/</sup>	Target	Actual	Rating	Score			Rating													
STAKEHOLDERS	SO 3 Enhance Positive Postal Service Experience to Customers and Partners																							
	SM 3	Percentage of Satisfied Customers	Number of respondents giving at least a Satisfactory rating / Total number of respondents	12%	(Actual / Target) x Weight  0% = If less than 80%	90% (Using the Standard Methodology and Questionnaire developed by GCG)	-	0%	-	0%	- Letter Request for Renegotiation dated 20 Dec 2018  - Timeline of Activities for the Market Research  - Copy of Contract and Notice to Proceed  Based on the submissions of PHLPost, the issuance of Invitation to Bid for the procurement of one (1) lot market research services was on 03 August 2018, and the Notice to Proceed was issued through a letter dated 15 January 2019.  PHLPost, therefore, failed to achieve the target to conduct the Customer Satisfaction Survey within 2018, and accordingly obtain results therefrom.													
		Sub-total		17%				5.00%		5.00%														
FINANCIAL	SO 4 Ensured Financial Efficiency and Growth																							
	SM 4	Revenues*	Total Revenues	6%	Actual/ Target x Weight	3,500 Million	3.7 Billion	6%	3,675 Million	6%	2018 Statement of Financial Performance as submitted to COA <table><tr><th>Item</th><th>Amount</th></tr><tr><td>Mail Services</td><td>2,964,542,550</td></tr><tr><td>Postal Payment Services</td><td>548,770,550</td></tr><tr><td>Logistics Services</td><td>51,377,643</td></tr><tr><td>Retail Services</td><td>47,113,463</td></tr><tr><td>Other Income</td><td>63,723,391</td></tr><tr><td>TOTAL</td><td>3,675,527,597</td></tr></table>	Item	Amount	Mail Services	2,964,542,550	Postal Payment Services	548,770,550	Logistics Services	51,377,643	Retail Services	47,113,463	Other Income	63,723,391	TOTAL
Item	Amount																							
Mail Services	2,964,542,550																							
Postal Payment Services	548,770,550																							
Logistics Services	51,377,643																							
Retail Services	47,113,463																							
Other Income	63,723,391																							
TOTAL	3,675,527,597																							

\* Comprised of Mail Services Income, Postal Payment Services, Logistics Services, Retail Services, and Other Income.

Objective/ Measure		Component	Formula	Weight	Rating Scale <sup>a/</sup>	Target	PHLPost Submission		GCG Validation		Supporting Documents	Remarks														
							Actual	Rating	Score	Rating																
SM 5	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	₱121.6 Million	6.0%	₱28.889 Million	5.78%	2018 Statement of Financial Performance as submitted to COA	<table><tr><th>Item</th><th>Amount</th></tr><tr><td>Net Income</td><td>17,910,405</td></tr><tr><td>Add: Taxes</td><td>7,675,888</td></tr><tr><td>Dep'n.</td><td>88,074,423</td></tr><tr><td>Interest</td><td>7,890,967</td></tr><tr><td>Less: PS Cost</td><td>92,662,500</td></tr><tr><td>EBITDA</td><td>28,889,183</td></tr></table>	Item	Amount	Net Income	17,910,405	Add: Taxes	7,675,888	Dep'n.	88,074,423	Interest	7,890,967	Less: PS Cost	92,662,500	EBITDA	28,889,183
Item	Amount																									
Net Income	17,910,405																									
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Interest	7,890,967																									
Less: PS Cost	92,662,500																									
EBITDA	28,889,183																									
Sub-total				12%				12%		11.78%																
SO 5	Upheld Postal Service Integrity																									
SM 6	ISO Certification	Actual Accomplishment		5%	All or Nothing	ISO-Aligned Documentation of its QMS for Post Office Operations	ISO-Aligned Documentation of its QMS for Post Office Operations	5.0%	ISO-Aligned Documentation of its QMS for Post Office Operations	5.0%	Copy of PHLPost's Post Office Operations Procedures Manual	Notably, PHLPost's UPU Quality Management Level C Certification is deemed equivalent to ISO 9001:2015 QMS Certification as per DBM letter dated 06 Feb 2019.														
SO 6	Sustained Efficiency and Reliability in the Delivery of Communications and Information, Goods and Merchandise, and Payment Services																									
SM 7	Letter Post Delivery Performance																									
	7.1. Domestic Letter Post Delivery Performance	(Number of samples delivered within standard delivery days)		5%	Actual/ Target x Weight	85% of items delivered within 7 days after posting	85% of items delivered within 7 days after posting	5.0%	85.09% of items delivered within 7 days after posting	5.0%	Live Mail Sampling Results generated by Service Regulations Department	<table><tr><td>Total Samples Delivered</td><td>142,820</td></tr><tr><td>Total Number of Samples</td><td>167,841</td></tr><tr><td>Delivery Rate</td><td>85.09%</td></tr></table>	Total Samples Delivered	142,820	Total Number of Samples	167,841	Delivery Rate	85.09%								
	Total Samples Delivered	142,820																								
Total Number of Samples	167,841																									
Delivery Rate	85.09%																									
7.2. International Letter Post Delivery Performance	÷ (Total number of samples)		5%	Actual/ Target x Weight	94% of items delivered within 7 days after posting Customs clearance	95% of items delivered within 7 days after posting Customs clearance	5.0%	94.93% of items delivered within 7 days after posting Customs clearance	5.0%	<table><tr><td>Total Samples Delivered</td><td>5,220</td></tr><tr><td>Total Number of Samples</td><td>5,499</td></tr><tr><td>Delivery Rate</td><td>94.93%</td></tr></table>	Total Samples Delivered	5,220	Total Number of Samples	5,499	Delivery Rate	94.93%										
Total Samples Delivered	5,220																									
Total Number of Samples	5,499																									
Delivery Rate	94.93%																									

Component			PHLPost Submission			GCG Validation		Supporting Documents	Remarks								
Objective/ Measure	Formula	Weight	Rating Scale <sup>a/</sup>	Target	Actual	Rating	Score	Rating									
SM 8	Parcel Post Delivery Performance																
	International Parcel post delivery performance	(Number of samples delivered within standard delivery days) ÷ (Total number of samples)	10%	Actual/ Target x Weight	85% of items delivered within 7 days after Customs clearance	95% of items delivered within 7 days after Customs clearance	10.0%	94.75% of items delivered within 7 days after Customs clearance	10.0%	Live Mail Sampling Results generated by Service Regulations Department	<table><tr><td>Total Samples Delivered</td><td>2,402</td></tr><tr><td>Total Number of Samples</td><td>2,535</td></tr><tr><td>Delivery Rate</td><td>94.75%</td></tr></table>	Total Samples Delivered	2,402	Total Number of Samples	2,535	Delivery Rate	94.75%
	Total Samples Delivered	2,402															
	Total Number of Samples	2,535															
Delivery Rate	94.75%																
SM 9	Express Post Delivery Performance																
	9.1. Domestic Express post delivery performance, committed areas within Metro Manila	(Number of samples delivered within standard delivery days) ÷ (Total number of samples)	5%	Actual/ Target x Weight	90% of items delivered within 1 day after posting	90% of items delivered within 1 day after posting	5.0%	90.19% of items delivered within 1 day after posting	5.0%	Live Mail Sampling Results generated by Service Regulations Department	<table><tr><td>Total Samples Delivered</td><td>432</td></tr><tr><td>Total Number of Samples</td><td>479</td></tr><tr><td>Delivery Rate</td><td>90.19%</td></tr></table>	Total Samples Delivered	432	Total Number of Samples	479	Delivery Rate	90.19%
	Total Samples Delivered		432														
	Total Number of Samples		479														
	Delivery Rate		90.19%														
	9.2. Domestic Express post delivery performance, committed areas outside Metro Manila	5%	Actual/ Target x Weight	90% of items delivered within 3 days after posting	90% of items delivered within 3 days after posting	5.0%	90.05% of items delivered within 3 days after posting	5.0%	<table><tr><td>Total Samples Delivered</td><td>959</td></tr><tr><td>Total Number of Samples</td><td>1,065</td></tr><tr><td>Delivery Rate</td><td>90.05%</td></tr></table>	Total Samples Delivered	959	Total Number of Samples	1,065	Delivery Rate	90.05%		
	Total Samples Delivered	959															
	Total Number of Samples	1,065															
Delivery Rate	90.05%																
9.3. International Express post delivery performance, committed areas serviced by Express Mail Exchange Dept.	5%	Actual/ Target x Weight	95% of items delivered within 1 day after Customs clearance	100% of items delivered within 1 day after Customs clearance	5.0%	100% of items delivered within 1 day after Customs clearance	5.0%	Live Mail Sampling Results generated by Service Regulations Department	<table><tr><td>Total Samples Delivered</td><td>818</td></tr><tr><td>Total Number of Samples</td><td>818</td></tr><tr><td>Delivery Rate</td><td>100%</td></tr></table>	Total Samples Delivered	818	Total Number of Samples	818	Delivery Rate	100%		
Total Samples Delivered	818																
Total Number of Samples	818																
Delivery Rate	100%																
9.4. International Express post delivery performance, committed areas not serviced by Express Mail Exchange Dept.	5%	Actual/ Target x Weight	95% of items delivered within 3 days after Customs clearance	96% of items delivered within 3 days after Customs clearance	5.0%	96.10% of items delivered within 3 days after Customs clearance	5.0%	Live Mail Sampling Results generated by Service Regulations Department	<table><tr><td>Total Samples Delivered</td><td>1,355</td></tr><tr><td>Total Number of Samples</td><td>1,410</td></tr><tr><td>Delivery Rate</td><td>96.10%</td></tr></table>	Total Samples Delivered	1,355	Total Number of Samples	1,410	Delivery Rate	96.10%		
Total Samples Delivered	1,355																
Total Number of Samples	1,410																
Delivery Rate	96.10%																

Objective/ Measure		Component		Rating Scale <sup>a/</sup>	Target	PHLPost Submission		GCG Validation		Supporting Documents	Remarks						
		Formula	Weight			Actual	Rating	Score	Rating								
SO 7	Improved Efficiencies in the Postal Service through Innovations and ICT																
SM 10	Percentage of Profitable Postal Outlets with Internet Connectivity	(Number of postal outlets with internet connectivity ÷ total number of earning POs)	5%	Actual/ Target x Weight	85%	76%	4.44%	75.56%	4.44%	- Certification from MIS Department of PHLPost  - List of the 272 Profitable Post Offices with connectivity	<table><tr><td>Total Profitable Post Offices</td><td>360</td></tr><tr><td>Total Profitable Post Offices with Connectivity</td><td>272</td></tr><tr><td>% of Profitable Post Offices with Connectivity</td><td>75.56%</td></tr></table>	Total Profitable Post Offices	360	Total Profitable Post Offices with Connectivity	272	% of Profitable Post Offices with Connectivity	75.56%
Total Profitable Post Offices	360																
Total Profitable Post Offices with Connectivity	272																
% of Profitable Post Offices with Connectivity	75.56%																
Sub-total			50%				49.44%		49.44%								
SO 8	Developed and Managed Competencies of Effectual and Competent Human Resources																
SM 11	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	All or Nothing	Baseline data for Competency Level of Frontline Positions (Postmasters, Tellers and Letter Carriers)	Competency Assessment (Technical) of 3,240 Front Line Personnel with Plantilla Positions	–	Completed Competency Assessment of 19.48% [631 out of 3,240 Front Line Positions].  Out of the 631, only 4.91% meet the required competencies	0%	- PHLPost Letter Request for Exclusion  - Summary of Competency Assessment Results for Front Line Positions  - Competency Assessment and Project Implementation for 2019	For 2018, assessment of only 631 out of 3,240 frontline personnel were completed for all competencies.						
Sub-total			5%				–		0%								
TOTAL			100%				80.71%		80.49%								

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