



Office of the President of the Philippines
GOVERNANCE COMMISSION
 FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
 3/F, Citibank Center, 8741 Paseo De Roxas, Makati City, Philippines 1226

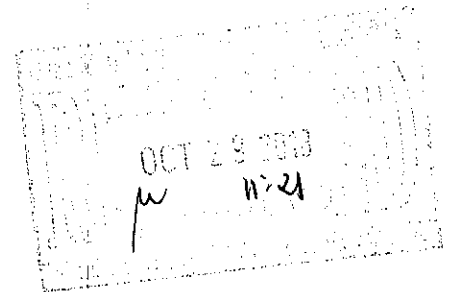


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22 October 2018

MR. NORMAN N. FULGENCIO
Chairman

MR. JOEL L. OTARRA
Postmaster General & CEO
PHILIPPINE POSTAL CORPORATION (PHLPost)
 3/F Post Office Building
 Liwasang Bonifacio, Manila



RE: VALIDATION RESULT OF PHLPost's 2017 PERFORMANCE SCORECARD

Dear Chairman Fulgencio and Postmaster General Otarra,

This is to formally transmit the validation result of PHLPost's 2017 Performance Scorecard. Based on the Governance Commission's validation of documentary submissions and conduct of on-site validation on 30 July 2018, PHLPost gained an over-all score of **97.38%** (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.

In relation to its application for the grant of 2017 PBB to eligible officers and employees, PHLPost can grant such incentive only upon receipt of confirmation letter from the Governance Commission. In this regard, the Board is reminded that any unilateral action to release the PBB before the confirmation 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. 10149.¹

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

¹ GOCC Governance Act of 2011.

2018-10-29-0047

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PHILIPPINE POSTAL CORPORATION
Validated 2017 Performance Scorecard

Objective/ Measure	Component			GOCC Submission			GCG Validation		Supporting Documents	Remarks													
	Formula	Weight	Rating Scale	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 Mail Volume (in Million Pieces)																						
	1.1 Volume of Mail Posted	Actual Figure	8%	Actual/Target x Weight	77.97	67.37	6.9%	70.00	7.18%	- Postal Traffic Quarterly Accomplishment Report - PHLPost-published 2017 Annual Report	<table border="1"> <thead> <tr> <th>Quarter</th> <th>Volume Posted</th> </tr> </thead> <tbody> <tr> <td>1st</td> <td>17,695,126</td> </tr> <tr> <td>2nd</td> <td>15,970,283</td> </tr> <tr> <td>3rd</td> <td>17,199,773</td> </tr> <tr> <td>4th</td> <td>19,135,112</td> </tr> <tr> <td>Total</td> <td>70,000,294</td> </tr> </tbody> </table>	Quarter	Volume Posted	1st	17,695,126	2nd	15,970,283	3rd	17,199,773	4th	19,135,112	Total	70,000,294
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1.2 Volume of Mail Delivered	8%	178.29	161.48	7.2%	161.48	7.25%	<table border="1"> <thead> <tr> <th>Quarter</th> <th>Mail Delivered</th> </tr> </thead> <tbody> <tr> <td>1st</td> <td>43,705,698</td> </tr> <tr> <td>2nd</td> <td>40,516,070</td> </tr> <tr> <td>3rd</td> <td>38,910,556</td> </tr> <tr> <td>4th</td> <td>38,345,265</td> </tr> <tr> <td>Total</td> <td>161,477,589</td> </tr> </tbody> </table>	Quarter	Mail Delivered	1st	43,705,698	2nd	40,516,070	3rd	38,910,556	4th	38,345,265	Total	161,477,589				
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4th	38,345,265																						
Total	161,477,589																						
Sub-total		16%				14.2%		14.43%															
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	5	5%	5	5%	- 2017 Cash Pay-outs per NGA/ NGO Report with number of beneficiaries served, pay-outs conducted and corresponding dates. Payout partners in 2017: 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													

SOCIAL IMPACT

STAKEHOLDERS

STAKEHOLDERS

Objective/ Measure	Component		Rating Scale	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Formula	Weight			Actual	Rating	Score	Rating			
SO 3	Enhance Positive Postal Service Experience to Customers and Partners										
SM 3	Customers' Satisfaction Rating	Rating scheme used by third-party provider	12%	Actual/Target x Weight Corporate - 5% Individual - 7%	Satisfactory Rating for Individual and Corporate Customers	-	0%	-	-	- Corporate Operating Budget (COB) for 2017 - 2017 Annual Procurement Plan (APP)	PHLPost's 2017 COB and APP approved in Feb. 2017 did not have a provision to engage a 3 rd party consultant to conduct the Customer Satisfaction Survey for 2017. Financial limitations and time constraints hindered PHLPost from making the necessary adjustments for the budget on conducting the survey via a third-party. <i>Measure is excluded.</i>
	Sub-total		17%				5.00%		5.00%		

FINANCIAL

SO 4	Ensured Financial Efficiency and Growth																								
SM 4	Revenues ⁵	Total Revenues	6%	Actual/Target x Weight	3,691 Million	3,536.67 Million	5.7%	3,530 Million	5.74%	COA-Audited 2017 Financial Statements of PHLPost	<table border="1"> <thead> <tr> <th>Item</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Mail Services Income</td> <td>2,762,774,041</td> </tr> <tr> <td>Postal Payment Services</td> <td>582,404,382</td> </tr> <tr> <td>Logistics Services</td> <td>64,336,153</td> </tr> <tr> <td>Retail Services</td> <td>62,593,362</td> </tr> <tr> <td>Other Income</td> <td>57,978,328</td> </tr> <tr> <td>TOTAL</td> <td>3,530,086,266</td> </tr> </tbody> </table>	Item	Amount	Mail Services Income	2,762,774,041	Postal Payment Services	582,404,382	Logistics Services	64,336,153	Retail Services	62,593,362	Other Income	57,978,328	TOTAL	3,530,086,266
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⁵ Comprised of Mail Services Income, Postal Payment Services, Logistics Services, Retail Services, and Other Income.

INTERNAL PROCESS

Objective/ Measure	Component		GOCC Submission		GCG Validation		Supporting Documents	Remarks																	
	Formula	Weight	Rating Scale	Target	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	₱147.64 Million	₱199.563 Million	6.0%	₱197.63 Million	6.00%	COA-Audited 2017 Financial Statements of PHLPPost	<table border="1"> <thead> <tr> <th>Item</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Net Income</td> <td>37,756,043</td> </tr> <tr> <td>Add Back:</td> <td></td> </tr> <tr> <td>Taxes</td> <td>40,035,123</td> </tr> <tr> <td>Depreciation</td> <td>99,869,306</td> </tr> <tr> <td>Interest Exp.</td> <td>19,966,403</td> </tr> <tr> <td>EBITDA</td> <td>197,626,875</td> </tr> </tbody> </table>	Item	Amount	Net Income	37,756,043	Add Back:		Taxes	40,035,123	Depreciation	99,869,306	Interest Exp.	19,966,403	EBITDA	197,626,875
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Sub-total	12%				11.7%		11.74%																		
SO 5	Upheld Postal Service Integrity																								
SM 6	ISO Certification	Actual Accomplishment	5%	All or Nothing	ISO-Aligned Documentation of its QMS for at Least One (1) Core Process	ISO-Aligned Quality Management System Procedure of the Improved Postal ID discussed in the Exe-Com on 05 Dec 2017	5.0%	ISO-Aligned Documentation of QMS for the Improved Postal ID	5.0%	Copy of the actual Quality Manual, Procedures and Work Instructions Manual (PAWIM) and other forms.	The Quality Manual provides the processes for application, renewal and replacement of the Improved Postal ID, among others.														
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	86% of items delivered within 7 days after posting	5.0%	86% of items delivered within 7 days after posting	5.0%	Live Mail Sampling Results generated by Service Regulations Department	<table border="1"> <tbody> <tr> <td>Total Samples Delivered</td> <td>166,168</td> </tr> <tr> <td>Total Number of Samples</td> <td>113,533</td> </tr> <tr> <td>Delivery Rate</td> <td>86.40%</td> </tr> </tbody> </table>	Total Samples Delivered	166,168	Total Number of Samples	113,533	Delivery Rate	86.40%								
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7.2. International Letter Post Delivery Performance	+ (Total number of samples)	5%	Actual/Target x Weight	85% of items delivered within 7 days after posting Customs clearance	97% of items delivered within 7 days after posting Customs clearance	5.0%	97% of items delivered within 7 days after posting Customs clearance	5.0%	<table border="1"> <tbody> <tr> <td>Total Samples Delivered</td> <td>9,701</td> </tr> <tr> <td>Total Number of Samples</td> <td>9,979</td> </tr> <tr> <td>Delivery Rate</td> <td>97.21%</td> </tr> </tbody> </table>	Total Samples Delivered	9,701	Total Number of Samples	9,979	Delivery Rate	97.21%										
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Objective/ Measure	Component		GOCC Submission			GCG Validation		Supporting Documents	Remarks			
	Formula	Weight	Rating Scale	Target	Actual	Rating	Score			Rating		
Parcel Post-Delivery Performance												
SM 8	8.1. Domestic Parcel post delivery performance	(Number of samples delivered within standard delivery days) ÷ (Total number of samples)	5%	Actual/Target x Weight	88% of items delivered within 7 days after posting	88% of items delivered within 7 days after posting	5.0%	88% of items delivered within 7 days after posting	5.0%	Live Mail Sampling Results generated by Service Regulations Department	Total Samples Delivered	432
	8.2. International Parcel post delivery performance		5%	Actual/Target x Weight	90% of items delivered within 7 days after Customs clearance	96% of items delivered within 7 days after Customs clearance	5.0%	96% of items delivered within 7 days after Customs clearance	5.0%		Total Number of Samples	490
											Delivery Rate	88.16%
											Total Samples Delivered	4,548
											Total Number of Samples	4,728
											Delivery Rate	96.19%
Express Post Delivery Performance												
SM 9	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 days after posting	90% of items delivered within 1 days after posting	5.0%	90% of items delivered within 1 days after posting	5.0%	Live Mail Sampling Results generated by Service Regulations Department	Total Samples Delivered	557
	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	91% of items delivered within 3 days after posting	5.0%	91% of items delivered within 3 days after posting	5.0%		Total Number of Samples	618
	9.3. International Express post delivery performance, committed areas serviced by Express Mail Exchange Dept.		5%	Actual/Target x Weight	97% of items delivered within 1 days after Customs clearance	100% of items delivered within 1 days after Customs clearance	5.0%	100% of items delivered within 1 days after Customs clearance	5.0%	Live Mail Sampling Results generated by Service Regulations Department	Total Samples Delivered	1,086
											Total Number of Samples	678
											Delivery Rate	90.56%
											Total Number of Samples	1,086
											Delivery Rate	100%

Objective/ Measure	Component			GOCC Submission		GCG Validation		Supporting Documents	Remarks							
	Formula	Weight	Rating Scale	Target	Actual	Rating	Score			Rating						
9.4. International Express post delivery performance, committed areas not serviced by Express Mail Exchange Dept.		5%	Actual/Target x Weight	96% of items delivered within 3 days after Customs clearance	97% of items delivered within 3 days after Customs clearance	5.0%	97% of items delivered within 3 days after Customs clearance	5.0%	Live Mail Sampling Results generated by Service Regulations Department	<table border="1"> <tr> <td>Total Samples Delivered</td> <td>2,242</td> </tr> <tr> <td>Total Number of Samples</td> <td>2,322</td> </tr> <tr> <td>Delivery Rate</td> <td>96.55%</td> </tr> </table>	Total Samples Delivered	2,242	Total Number of Samples	2,322	Delivery Rate	96.55%
Total Samples Delivered	2,242															
Total Number of Samples	2,322															
Delivery Rate	96.55%															
SO 7 Improved Efficiencies in the Postal Service through Innovations and ICT																
SM 10	Percentage of Revenue-Generating Postal Outlets with Internet Connectivity	(Number of postal outlets with internet connectivity + total number of earning POs)	5%	Actual/Target x Weight	80%	68%	4.3%	72.32%	4.52%	- Certification from MIS Department of PHLPost - List of Profitable Post Offices with connectivity <table border="1"> <tr> <td>Total Profitable Post Offices</td> <td>271</td> </tr> <tr> <td>Total Profitable Post Offices with Connectivity</td> <td>196</td> </tr> <tr> <td>% of Profitable Post Offices with Connectivity</td> <td>72.32%</td> </tr> </table>	Total Profitable Post Offices	271	Total Profitable Post Offices with Connectivity	196	% of Profitable Post Offices with Connectivity	72.32%
Total Profitable Post Offices	271															
Total Profitable Post Offices with Connectivity	196															
% of Profitable Post Offices with Connectivity	72.32%															
Sub-total		50%				49.3%		49.52%								
SO 8 Developed and Managed Competencies of Effectual and Competent Human Resources																
SM 11	Percentage of Employees with Required Competencies Met	Actual Accomplishment	5%	All or Nothing	Manual on Competency Model	Manual on Competency Model Approved by the Board	5.0%	Manual on Competency Model	5.0%	- Board Resolution No. 2017-178 approving the Competency Framework Manual - Copy of Manual on Competency Model PHLPost's Board of Directors adopted the resolution to approve the Competency Framework Manual of the Corporation during its 17 th Special Board Meeting held on 15 December 2017.						
Sub-total		5%					5.00%		5.00%							
TOTAL EXCLUDED WEIGHTS		100% (12%)					85.2%		85.69%							
VALIDATED TOTAL		88%				96.82% = (85.2/88)		97.38% = (85.69/88)								