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25 APRIL 2019

ADM REUBEN S. LISTA (RET)

President

PHILIPPINE NATIONAL OIL COMPANY (PNOC)

PNOC Bldg. 6, Energy Center, Merritt Rd.,
Bonifacio Global City, Taguig

ACKNOWLEDGEMENT RECEIPT

LETTER **24 APRIL 2019**

DATE:

RE: **SUBMISSION OF PNOC'S MONITORING REPORT OF PERFORMANCE
TARGETS FOR THE FIRST QUARTER OF 2019**

The said document was officially received by the Governance Commission on 25 April 2019 and has been forwarded to the responsible GCG Officer for appropriate action.

To follow-up for further action on the document, you may contact us through telephone numbers (02) 328-2030 or (02) 318-1000. Please cite the GCG Document Management System (DMS) Barcode Number: **0-0322-25-04-2019-006109**.

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

Signature over Printed Name

Date and Time

24 April 2019

HON. SAMUEL G. DAGPIN, JR.

Chairman

Governance Commission for GOCCs

Office of the President of the Philippines

3/F Citibank Center, Citibank Plaza

8741 Paseo De Roxas

Makati City

Dear Chairman Dagpin:

We are pleased to submit PNOC's "Monitoring Report of Performance Targets" for the First Quarter of 2019.

If you have any questions or clarifications relative to our submissions, please do not hesitate to coordinate with Eleanor Rochelle S. Cruz, Officer-in-Charge of our Corporate Planning Department. Her contact number is 789-7613 and her e-mail address is erscruz@pnoc.com.ph.

Thank you.

Very truly yours,



ADM Reuben S. Lista (Ret)
President & CEO



GGM/GMB

PHILIPPINE NATIONAL OIL COMPANY
MONITORING REPORT OF CY 2019 PERFORMANCE TARGETS
FIRST QUARTER REPORT

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Baseline	GCG-Approved Targets	1 st Quarter		2 nd Quarter	3 rd Quarter	4 th Quarter	
					2018	2019	Target	Actual	Target	Target	Target	
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets										
	SM 1	Establishment of the PNOC Batangas Liquefied Natural Gas (LNG) Project	Actual Accomplishment	10%	All or Nothing	Board-Approved Evaluation Criteria for Evaluating the Eligibility Requirements of the Proponents	Submission of Preliminary Feasibility Study to the PNOC Board	<i>PNOC sent a letter to GCG on March 27, 2019 requesting revision/replacement of this target.</i>	Conducted data gathering activities, specifically on site technical data, as inputs in the preparation of the Pre-FS. Signed the MoU with Tanglawan Philippines LNG Inc. for PNOC's potential participation in their LNG Hub Project following DOE's issuance of a Notice to Proceed to the company.			
STAKEHOLDERS	SO 2	Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders										
	SM 2	Percentage of Satisfied Customers	Number of satisfied customers / Total number of customers	10%	Actual over Target If less than 80% = 0%	90% Satisfied Customers (Using the Standard Methodology and Questionnaire developed by GCG)	90% Satisfied Customers (Lessees, PAFC Locators & ESB Customers)			Prepare TOR for the Conduct of Customer Satisfaction Survey for CY 2019	Procure/Bid Consultant for the Conduct of Customer Satisfaction Survey for CY 2019	Engage Consultant for the Conduct of the Customer Satisfaction Survey for CY 2019
FINANCE	SO 3	Maintain a Sound Financial Condition										
	SM 3	Net Income	Income from Operations Add/deduct: Forex Gains/Loss, Other Income, Income Tax & Unrealized Gain/Loss	30%	Actual over Target	P 269.0 Million*	P 405.67 Million	P 101.41 Million	P 222.59 Million See Annex 1	P 101.42 M	P 101.42 M	P 101.42 M
	SO 5	Maintain Efficient Management of PNOC Industrial Park										
	SM 4	Compliance to Integrated Management System (IMS) Standards	Actual Accomplishment	10%	All or Nothing	Passed PNOC Industrial Park 2nd Year Surveillance Audit	Pass Re-Certification Audit of PNOC Industrial Park	IMS Monitoring (Attendance to Parkwide Meetings)	Conducted IMS Monitoring/ Parkwide Meetings at the PNOC Industrial Park last Jan 23 & Feb 20, 2019 See Annex 2	Conduct of Internal Audit & Customer Satisfaction Survey	Conduct of Management Review, Prepare Documentation and Implementation Requirements for the Re-certification Audit	Conduct of the Re-certification Audit
	SO 6	Optimize Asset Productivity										

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						2018	2019	Target	Actual	Target	Target	Target
INTERNAL BUSINESS PROCESS	SM 5	Operation of Energy Supply Base	Actual Accomplishment	10%	All or Nothing	Board Approved Minimum Performance Specifications Standards	Board-Approved Detailed Feasibility Study (DFS) on the ESB Masterplan	<i>PNOC sent a letter to GCG on March 27, 2019 requesting revision/replacement of this target.</i>	<p>Completed Technical Evaluation of the Short-listed Bidders for the Procurement of Consultant for the Conduct of Detailed Feasibility Study (DFS) and Detailed Engineering Design (DED) for the ESB Masterplan/Port Development.</p> <p>Accredited Allied Regency Arrastre & Stevedoring Services Phils, Inc. as Additional Cargo Handling Operator (ACHO) (See Annex 3)</p> <p>Accommodated Artemis Salt Corporation as an Additional Locator in ESB</p> <p>Issued Notice to Proceed to a Contractor on February 7, 2019 for the Rehabilitation of Triangular Pier and Repair of Road</p>			
	SM 6	Contracting Out of PAFC Industrial Park Assets	Actual Accomplishment	5%	All or Nothing	Expansion of Leased Area: PRII (6,000 sqm) Long Term Lease: SMC Consolidated (6.6 has)	Board-Approved Evaluation Report for the Issuance of the Certificate of Conformance (CoC) for PRII/MVC based on the criteria set in the PNOC-AFC Industrial Park Guidebook	Conduct of Quantitative Risk Assessment	<p>Completed the Quantitative Risk Assessment (QRA) and Forwarded the Results to PRII</p> <p align="center">See Annex 4</p>	Discuss with the Locators the Results of the Assessment	Draft CoC for Presentation to the PNOC Board	Present to the PNOC Board of Directors the Evaluation Report for the Issuance of the CoC for PRII/MVC based on the Criteria set in the PNOC-AFC Industrial Park Guidebook for their approval
	SM 7	Number of PDMC Assets Utilized/Disposed at a Gain	Number of PDMC Assets Utilized/Disposed at a Gain over Target Number of PDMC Assets Utilized/Disposed at a Gain	5%	Actual over Target	a) 100% Collection Efficiency from Lease of CEPZA & Antonio Luna b) 50% Collection Efficiency from Socialized Housing Project in Cavite	Disposal through sale of 5 Costa Verde Properties	Process Deeds of Sale for the Disposal of 3 Costa Verde Properties	<p>Executed Deed of Absolute Sale between PDMC and Buyers for the Disposal of Six (6) Costa Verde Properties</p> <p align="center">See Annex 5</p>	Process Deed of Sales for the Disposal of 2 Costa Verde Properties		
ND GROWTH	SO 7	Develop, Implement and Maintain Efficient and Effective Systems										
	SM 8	Compliance to Quality Standards (PNOC ISO Certification)	Actual Accomplishment	10%	All or Nothing	Passed PNOC QMS 1st Surveillance Audit	Pass PNOC QMS 2nd Surveillance Audit	<p>Conduct QMS Orientation to Select Departments Regarding the GCG-Approved Reorganization</p> <p>Conduct of Internal Quality Audit</p>	<p>Conducted QMS orientation to five (5) PNOC Departments</p> <p>Completed Conduct of PNOC Internal Quality Audit on March 28-29, 2019</p> <p align="center">See Annex 6</p>	Conduct Management Review, Prepare the Documentation and Implementation Requirements for the 2nd Surveillance Audit		

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					2018	2019	Target	Actual	Target	Target	Target	
LEARNING A	SO 8	Acquire, Develop, Retain and Motivate Talents for Peak Performance										
	SM 9	Percentage of employees with required competencies met	Number of Employees with Required Competencies over Total Number of Employees	10%	Actual over target	Establish Baseline	Increase from Established Baseline	Conduct Reassessment of Employees' Competencies <i>(to align with positions in the GCG approved Table of Organization)</i>	Conducted Reassessment of Employees' Competencies and Identified six (6) Employees with Negative Gaps See Annex 7	Craft Competency Gap Monitoring Report/Plan to Address Competency Deficiencies of PNOC Employees	Monitor Progress of Employees through the Competency Gap Monitoring Report/Plan	Conduct Final Assessment and Validation by Department Manager and Approved by SVP Concerned on the Competency Acquired by the Employee
		Total Weight		100%								