



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



24 October 2023

LT. GEN. ANTONIO RAMON A. LIM (RET.)

Chairperson

HON. COL. RICARDO C. JULIANO, MNSA

President and CEO (PCEO)

**LBP RESOURCES AND DEVELOPMENT
CORPORATION (LBRDC)**

24th Floor LBP Plaza, 1598 M.H. Del Pilar,
Cor. Dr. J. Quintos Sts., Malate, Manila

**RE: REVALIDATION RESULT OF THE 2022
PERFORMANCE SCORECARD OF LBRDC**

Dear Chairperson Lim and PCEO Juliano,

This refers to the letter of LBRDC dated 08 August 2023¹ requesting for reconsideration on Strategic Measures (SMs) 1a² and 6³ under its validated 2022 Performance Scorecard.

Upon evaluation, the validated score of LBRDC's 2022 Performance Scorecard increased from 87.28% to **97.18%**. Attached as **Annex A** is the summary of our review.

Very truly yours,


ATTY. MARIUS P. CORPUS
Chairperson


ATTY. BRIAN KEITH F. HOSAKA
Commissioner


**ATTY. GERALDINE MARIE
BERBERABE-MARTINEZ**
Commissioner

cc: COA Resident Auditor - LBRDC

¹ Officially received by the Governance Commission on 10 August 2023.

² Number of Projects Completed on Time – Construction.

³ Budget Utilization Rate (BUR).



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**LBP RESOURCES AND DEVELOPMENT CORPORATION (LBRDC)
Revalidation Result of 2022 Performance Scorecard**

	Component				Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
	Objective / Measure	Formula	Weight	Rating Scale	2022	Actual	Rating	Score	Rating			
STAKEHOLDERS	SO 1	Provide High Quality Workmanship										
	SM 1	Number of Projects Completed On-Time:										
		Construction	$\frac{\text{Actual Progress / Progress Required by Client}}{\text{Target}}$	12.5%	(Actual / Target) x Weight	$\frac{100\% \text{ Accomplishment of Progress Required per Project}}{\text{Target}}$	2	12.5%	Balayan Branch: 109.95% (work in advance) Calinan Branch: 107.78% (work in advance)	12.5%	<ul style="list-style-type: none"> Client Project Inspection and Update Report (PIUR) S-Curve, Cash Flow & Manpower Schedule 	This request for reconsideration is APPROVED WITH MODIFICATIONS to recognize LBRDC's achievements and client commitments notwithstanding project completion. Validated score based on actual and projected progress figures in LANDBANK PIUR Nos. 5 and 6.
		Renovation	Actual number of projects completed on-time	17.5%		13	15	17.50%	15	17.50%	<ul style="list-style-type: none"> Turn-Over Acceptance (TOA) Project Inspection Update Report (PIUR) 	Target exceeded.
SM 2	Manpower Service Agreement Established	Actual number of Manpower Service Clients	10%	(Actual / Target) x Weight	7	8	10%	8	10%	<ul style="list-style-type: none"> Manpower Service Agreements 	Target exceeded.	

Objective / Measure		Component			Target	Submission		GCG Validation		Supporting Documents	GCG Remarks
		Formula	Weight	Rating Scale	2022	Actual	Rating	Score	Rating		
SM 3	Percentage of Satisfied Customers	Total number of respondents which gave at least Satisfactory rating / Total number of respondents	5%	(Actual / Target) x Weight 0% = If less than 80%	90%	90%	5%	97%	5%	<ul style="list-style-type: none"> CSS Final Report Sample Accomplished Questionnaires 	Acceptable.
	Sub-total		45%				45%		45%		
SO 2 Increase Profitability and Optimize Use of Resources											
FINANCIAL SM 4	a.) Increase Earnings before Interest, Tax, Depreciation, and Amortization (EBITDA)	Total Comprehensive Income + Interest + Tax + Depreciation + Amortization	10%	(Actual / Target) x Weight	₱72.65 Million	₱94.70 Million	10%	₱92.06 Million	10%	<ul style="list-style-type: none"> Unaudited Financial Statement as submitted to Commission on Audit (COA) Computation of 2022 EBITDA 2022 COA Annual Audit Report 	Target exceeded.
	b.) Construction Margin	Net Income from Construction / Total Revenue from Construction	5%	(Actual / Target) x Weight	₱43.57 Million	₱49.077 Million	5%	₱49.08 Million	5%	<ul style="list-style-type: none"> Unaudited Financial Statement as submitted to Commission on Audit (COA) Computation of 2022 Construction Margin 2022 COA Annual Audit Report 	Target exceeded.

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Component				Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Weight	Rating Scale	2022	Actual	Rating	Score	Rating			
SM 5	Strengthen Return on Equity	Total Comprehensive Income / Total Shareholder's Equity	10%	(Actual / Target) x Weight	8%	10%	5%	9.65%	10%	<ul style="list-style-type: none"> Unaudited Financial Statement as submitted to Commission on Audit (COA) Computation of 2022 ROE 2022 COA Annual Audit Report 	Target exceeded.
SM 6	Budget Utilization Report (BUR)	Total Disbursements / DBM- Approved or Board- Approved COB (both net of PS Cost)	5%	(Actual / Target) x Weight	90%	91%	5%	<u>86.81%</u>	<u>4.82%</u>	<ul style="list-style-type: none"> Unaudited Financial Statement as submitted to Commission on Audit (COA) 2022 COA Annual Audit Report Screenshot of acknowledgment as proof of submission to ICRS. 	<p>This request for reconsideration is APPROVED.</p> <p>The submission of the 2022 budget utilization report to the ICRS is noted. LBRDC is reminded to comply with ICRS reporting requirements in a timely manner.</p>
		Sub-total	30%				25%		29.82%		

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Component					Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Weight	Rating Scale	2022	Actual	Rating	Score	Rating				
INTERNAL PROCESS	SO 3 Enhance Management and Information System											
	SM 7	Number of Vital Processes Automated	Actual accomplishment	5%	All or Nothing	Full Roll-out of One (1) Automated System	No system was automated	5%	No system was automated	-	<ul style="list-style-type: none"> Memorandum to the LBRDC PCEO dated 18 January 2023 Chronological Report IT Work's Solution's letters dated 12 Sept 2022 and 14 October 2022 	<p>The request for exclusion of this measure is APPROVED but for 2022 validations only.</p> <p>LBRDC was able to submit the necessary documents in order to justify that the non-attainment of the target is beyond LBRDC's control.</p>
	SO 4 Build Strong Alliances with Suppliers											
SM 8	Number of Strategic Tie-ups Established with Key Suppliers	Actual number of strategic tie-ups with suppliers	5%	(Actual / Target) x Weight	7	7	5%	7	5%	Copies of notarized Supply Agreements	Target met.	

Component				Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Weight	Rating Scale	2022	Actual	Rating	Score	Rating			
SO 5	Enhance Existing Processes at Par with Industry										
SM 9	Implement Quality Management System	Actual Accomplishment	5%	All or Nothing	Pass surveillance audit - 1	Passed surveillance audit 1	5%	Passed surveillance audit 1	5%	ISO 9001:2015 Re-Certification and Audit Report	Target met.
SM 10	Strict Occupational Health and Safety Standards	Actual Accomplishment	5%	Zero (0) Accident = 5% 1-5 Accidents = 2.5% More than five (5) accidents = 0% Death or permanent disability = 0%	Zero (0) Accident	One (1) Accident	2.50%	One (1) Accident	2.50%	Annual Work Accident/ Illness Exposure Data Report issued by the Department of Labor and Employment (DOLE)	Target not met.
		Sub-total	20%				17.50%		12.50%		

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		Component			Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure		Formula	Weight	Rating Scale	2022	Actual	Rating	Score	Rating			
LEARNING AND GROWTH	SO 6	Enhance HR and Development Program										
	SM 11	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	All or Nothing	Improve Competency Baseline of the Organization ¹	Improved Competency Baseline of the Organization	5%	Improved Competency Level of the Organization	5%	<ul style="list-style-type: none"> • Samples of Competency Evaluation Forms; • Competency assessment report; and • Computation of the 58 employees 	Target met.
	Sub-total			5%				5%		5%		
	TOTAL			100%				92.50%		92.32% out of 95%		
									97.18% out of 100%			

¹ Improvement in the competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

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

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