



26 July 2023

MR. RICARDO C. JULIANO, MNSA

President and CEO (PCEO)

LBP RESOURCES AND DEVELOPMENT CORPORATION (LBRDC)

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

**RE : VALIDATION RESULT OF 2022
PERFORMANCE SCORECARD OF LBRDC**

Dear PCEO Juliano,

We respectfully furnish you with the LBRDC's 2022 Performance Scorecard (**Annex A**), where LBRDC obtained an overall score of **82.92% out of 95%** or **87.28% out of 100%**.

Very truly yours,

Justice ALEX L. QUIROZ (ret.)
Chairperson

cc: COA Resident Auditor - LBRDC

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

Objective / Measure		Component	Formula	Weight	Rating Scale	Target	Submission	Rating	Score	Rating	Supporting Documents	GCG Remarks												
SO 1 Provide High Quality Workmanship Number of Projects Completed On-Time:																								
SM 1	Construction	Actual number of projects completed on-time		12.5%	(Actual / Target) x Weight	2	2	12.5%	58.22%	7.92%	See Appendix 1	Target not met. LBRDC was not able to meet the minimum threshold, which is at least 90% to consider the project as an accomplishment. The Governance Commission amended the rating scale by taking the average percentage of the two (2) projects in order to give credit to LBRDC's effort. The revised rating scale is as follows: <table border="1"> <tr> <td>Average Completion of all projects</td> <td>Rating</td> </tr> <tr> <td>90% - 100%</td> <td>12.50%</td> </tr> <tr> <td>79% - 89%</td> <td>10.97%</td> </tr> <tr> <td>68% - 78%</td> <td>9.44%</td> </tr> <tr> <td>57% - 67%</td> <td>7.92%</td> </tr> <tr> <td>Below 57%</td> <td>0%</td> </tr> </table>	Average Completion of all projects	Rating	90% - 100%	12.50%	79% - 89%	10.97%	68% - 78%	9.44%	57% - 67%	7.92%	Below 57%	0%
	Average Completion of all projects			Rating																				
90% - 100%	12.50%																							
79% - 89%	10.97%																							
68% - 78%	9.44%																							
57% - 67%	7.92%																							
Below 57%	0%																							
Renovation			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.													

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Objective / Measure		Component	Formula	Weight	Rating Scale	Target	Submission	Rating	Score	Validation	Supporting Documents	CGG Remarks
						2022	Actual			Rating		
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.
	Percentage of Satisfied Customers	Total number of respondents who gave rating of at least Satisfactory / 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%		40.42%		
SO 2 Increase Profitability and Optimize Use of Resources												
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 	Target exceeded.
SM 5	Strengthen Return on Equity	Total Comprehensive Income / Total		10%	(Actual / Target) x Weight	8%	10%	5%	9.65%	10%	<ul style="list-style-type: none"> Unaudited Financial Statement as 	Target exceeded.

FINANCIAL

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Objective / Measure		Component	Formula	Weight	Rating Scale	Target 2022	Submission Actual	Rating	GCG Validation Score	Rating	Supporting Documents	GCG Remarks
SM 6	Budget Utilization Report (BUR)	Shareholder's Equity	Total Disbursements / DBM- Approved or Board- Approved COB (both net of PS Cost)	5%	(Actual / Target) x Weight	90%	91%	5%	Unverifiable	0%	<ul style="list-style-type: none"> Submitted to Commission on Audit (COA) Computation of 2022 ROE 2022 COA Annual Audit Report 	Due to the non-submission of LBRDC to the Integrated Corporate Monitoring System, the Governance Commission cannot objectively validate the accomplishment of LBRDC.
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 	The request for exclusion of this measure is APPROVED but for 2022 validations only.	
LBRDC was able to submit the necessary documents in order to justify that the non-attainment of the target is beyond LBRDC's control.												

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Objective / Measure		Component	Formula	Weight	Rating Scale	Target 2022	Submission Actual	Rating	GCG Validation Score	Rating	Supporting Documents	GCG Remarks
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.
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%		
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	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 	Target met.
LEARNING AND GROWTH												

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Component		Formula	Weight	Rating Scale	Target	Submission		GCC Validation		Supporting Documents	GCC Remarks
Objective / Measure					2022 Organization ¹	Actual	Rating	Score	Rating		
		Sub-total	5%				5%		5%		
		TOTAL	100%				92.50%		82.92% out of 95%		
									87.28% out of 100%		

• Computation of the 58 employees

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:

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

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

A. CONSTRUCTION PROJECTS

NO.	PROJECT NAME	COMPLETION DATE PER PIUR/ TOA	SUPPORTING DOCUMENTS	GCG VALIDATION
1.	LBP Callinan Branch	22 February 2023	<p>Project Inspection and Update Report dated 29 Dec 2022</p> <p>Justification letter from LBRDC dated 12 May 2023</p> <p>Chronological report</p> <p>LBRDC letter to LandBank dated 22 March 2022 regarding the findings of OBO Davao City in relation to the application of Building Permit</p> <p>Endorsement letter of Landbank dated 29 May 2022 to LBRDC regarding the requirements of OBO Davao City</p> <p>Inspection Report from OBO Davao City dated 31 August 2021 and 01 Sept 2021</p> <p>Drainage Clearance issued on 01 Sept 2021</p> <p>Inspection report from OBO Davao City dated 13 July 2021</p> <p>Certificate of Non-Coverage dated 01 May 2021</p>	<p>The project 90.02% accomplished, thus, LBRDC was able to meet the minimum threshold of at least 90% in order to consider the project as an accomplishment.</p>
2.	LBP Balayan Branch	End of contract is on 21 June 2023	<p>Justification/clarification for the non-attainment of the project</p> <p>Notice of Disapproval dated 29 July 2022</p> <p>Fire Safety Evaluation Clearance dated 28 Sept 2022</p> <p>Building Permit issued on 28 Sept 2022</p>	<p>The project is only 26.41% completed per LBRDC's letter dated 02 February 2023. Considering that the project was completed in less than the minimum threshold in order to be qualified as completed.</p>

B. RENOVATION PROJECTS

NO.	PROJECT NAME	COMPLETION DATE PER PIUR/ TOA	SUPPORTING DOCUMENTS	GCG VALIDATION
1.	LBP Tagbiliran Branch Renovation	08 August 2022	Turn – over and Acceptance dated 09 August 2022	<p>Acceptable. In the TOA submitted, the project has been completed and all the necessary documents have been submitted (i.e., As-built plans)</p>

No.	PROJECT NAME	COMPLETION DATE PER PIUR/ TOA	SUPPORTING DOCUMENTS	GCG VALIDATION
2.	LBP San Pedro (Laguna) Branch Relocation (Fit-Out)	09 August 2022	Turn – over and Acceptance dated 22 December 2022	Acceptable. The TOA submitted shows that the project has been completed and all necessary documents have been submitted (i.e., As-built plans, permits and certificates).
3.	LBP Las Piñas Branch Renovation	18 February 2022	Turn-over and Acceptance of the Project	Acceptable. This project was one of the excluded projects on 2021 due to the order of LandBank for the temporary hold, which was obviously beyond the control of LBRDC. However, as shown in the submitted TOA, the project was physically completed on 14 November 2021. The necessary documents such as Occupancy Permit, as built-plans, and punchlisted items were completed on 18 February 2022.
4.	LBP Ceza Branch Lite Fit-Out	18 May 2022	Turn – Over and Acceptance dated 28 July 2022.	Acceptable. Per TOA, the project was completed, and all necessary documents have been submitted (i.e., as-built plans, permits and certificates).
5.	LBP Ubay (Bohol) Agrihub Fit-Out	29 April 2022	Turn – Over and Acceptance dated 06 May 2022.	Acceptable. The TOA submitted shows that the project has been completed and all necessary documents have been submitted (i.e., as-built plans, permits and certificates).
6.	LBP Surigao Branch Renovation	12 March 2022	Turn – Over and Acceptance dated 08 June 2022.	Acceptable. The project has been completed and all necessary documents have been submitted (i.e., Certification of completion of punchlisted works).
7.	LBP Candaba Agrihub Fit-Out	08 June 2022	Turn – Over and Acceptance dated 18 July 2022.	Acceptable. The project has been completed and all necessary documents have been submitted (i.e., As-built plans, permits and certificates).
8.	LBP Sorsogon Lending Center (Fit-Out)	18 April 2022	Turn – Over and Acceptance dated 31 May 2022.	Acceptable. The project has been completed and all necessary documents have been submitted (i.e., As-built plans, permits and certificates).
9.	Repair of Ceiling Finishes at the Mezzanine Floor of LandBank Plaza	02 July 2022	Turn – Over and Acceptance dated 19 July 2022.	Acceptable. The project has been completed and all necessary documents have been submitted (i.e., As-built plans, permits and certificates).
10.	LBP Carcar Branch Relocation / Fit-out	18 August 2022	Turn – Over and Acceptance dated 05 October 2022.	Acceptable. The project has been completed and all necessary documents have been submitted (i.e., Occupancy Permit, as-built plans).

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NO.	PROJECT NAME	COMPLETION DATE PER PIUR/ TOA	SUPPORTING DOCUMENTS	GCG VALIDATION
11.	LBP Maasin Branch Renovation	11 October 2022	PIUR inspected on 22 November 2022 Turn – Over and Acceptance dated 01 December 2022	Acceptable. The project has been completed and all necessary documents have been submitted (i.e., Occupancy Permit, As-Built Plans).
12.	LBP Tabuk Branch Renovation	End of Contract: 27 August 2022 New Completion Date: 11 October 2022	PIUR inspected 11 October 2022	Acceptable. The project is 99.17% completed as of inspection date. The remaining 0.83% is waiting for the issuance of the Occupancy Permit which was applied by LBRDC on 10 October 2022. Considering that the completion exceeds 95%, the CGO-A accepts this project as completed.
13.	LBP BSP Servicing Unit Temporary Office Fit-Out	07 October 2022	PIUR inspected 05 October 2022	Acceptable. The project is 98.32% completed as of the inspection date. The remaining 1.47% corresponds to the Permit and Professional Fees including Documentation. Similar to the previous project, the CGO-A recommends the inclusion of this project as an accomplishment.
14.	LBP Aurora Lending Center Fit-out	End of Contract: 05 June 2022 New Completion Date: 18 December 2022	PIUR inspected 14 December 2022	Acceptable. The project is 100% completed as of inspection date, however, PMED needs to facilitate the immediate rectification of the punchlisted item prior to issuance of TOA.
15.	LBP Alabang Business Center Branch Renovation/Relocation	End of Contract: 22 October 2022 New Completion Date: 22 December 2022	PIUR inspected 29 November 2022	Acceptable. The project is 98.18% completed as of the inspection date. The remaining 1.82% corresponds to the issuance of Bidg. and Occupancy Permit. Since the project is more than 95% completed, the CGO-A considered this as an accomplishment.
16.	Renovation of Philguarantee Corporate Office	Target completion date: 03 November 2022	4 th Quarter Monitoring report from PHILGUARANTEE	Unverifiable. In the submitted 4 th quarter report of Philguarantee, the project is 98.78%, however, the CGO-A cannot objectively verify the accomplishment due to inadequate or incomplete submission. Thus, the CGO-A recommends the exclusion of this project as an accomplishment.