



29 JANUARY 2022

ATTY. GRACIELA M. BARLETA
OIC-President and CEO
PHILIPPINE NATIONAL OIL COMPANY (PNOC)
 PNOC Building 6, Energy Center, Rizal Drive,
 Bonifacio Global City Taguig City

ACKNOWLEDGEMENT RECEIPT

LETTER **27 JANUARY 2022**
 DATE:

RE: **[E] LETTER FROM PNOC TO GCG RE SUBMISSION OF
 PNOC MONITORING REPORT OF PERFORMANCE
 TARGETS FOR 4TH QUARTER OF 2021**

The said document was officially received by the Governance Commission on 28 January 2022 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) 5328-2030 or (02) 5318-1000. Please cite the GCG Document Management System (DMS) Barcode Number: **0-1252-29-01-2022-001784**.

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

Signature over Printed Name

Date and Time

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January 27, 2022

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 PNOCC's "Monitoring Report of Performance Targets" for the Fourth Quarter of 2021.

We have also included in the report updates on PNOCC Information Systems Strategic Plan (ISSP) and the company's initiatives towards online procurement.

Our focal person for your staff to coordinate with is our Strategy Management Office OIC-Manager, Ms. Maria Belinda L. Cubelo. Her contact number is 8789-7653 and her e-mail address is mblcubelo@pnoc.com.ph.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to be "Graciela M. Barleta".

ATTY. GRACIELA M. BARLETA
OIC-President and CEO

A handwritten signature in blue ink, appearing to be "EBA/RCC/mblc".

EBA/RCC/mblc

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**PHILIPPINE NATIONAL OIL COMPANY
MONITORING REPORT OF CY 2021 PERFORMANCE TARGETS
FOURTH QUARTER REPORT**

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
					2021	Actual	Actual	Actual	Target	Actual	
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets									
	SM 1	Petroleum Products Sourcing, Storage and Distribution Project	Actual Accomplishment	5%	All or Nothing	Hiring of Detailed Feasibility Study (DFS) Consultant for the SPR Project Submitted the updated TOR to the PNOC Board, thru its Risk Management Committee, on March 19, 2021. The PNOC Board approved the Updated TOR and Evaluation Criteria on March 29, 2021.	Submitted the updated TOR to the PNOC Board, thru its Risk Management Committee, on March 19, 2021. The PNOC Board approved the Updated TOR and Evaluation Criteria on March 29, 2021.	Held pre-bid meeting for the Engagement of TA. The revised TOR, as approved by the President, was submitted to BAC on April 26, 2021. Published EOI in PhilGEPS, and PNOC received eligibility documents from one potential bidder. However, bids for the engagement of TA failed. Revisited TOR to determine and identify areas for improvement.	1. Re-bid conducted from Aug. 3-10, 2021 (extended up to Aug. 24, 2021. No party is still qualified to submit a bid. 2. Revised TOR to effect proposed changes in some requirements/ provisions that may be too exacting and limiting. On Sep. 29, 2021, secured approval on the revised TOR from OIC Pres, and submitted to BAC with request for another round of bid. 3. Revised TOR was presented to the BAC in the pre-procurement conference on Sept. 30, 2021. Another round of publication in PhilGEPS is scheduled on Oct. 5-12 under a revised TOR.	Award of DFS Contract and Commencement of Conduct of DFS	DFS contract was not awarded. The 2nd and 3rd re-bid conducted on October 5-11 and Oct. 19-26 were still unsuccessful due to failure of lone bidder to submit required eligibility documents and to pass the eligibility requirements respectively. The TOR for the hiring of SPR TA was submitted DOE on Nov. 19 for review and favorable endorsement . New target for the conduct of DFS adjusted to April 2023 due to series of failed biddings. There may be revision in the TOR in consideration of the DOE review.
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 (Lessees, PNOC Industrial Park Locators & ESB Customers)	-	Prepared Terms of Reference and Work Order Requisition for the Conduct of PNOC Customer Satisfaction Survey for CY 2021	Notice of Award (NOA) for the Conduct of CSS 2021 was forwarded and signed by the Third Party Consultant	Engage Consultant for the Conduct of the Customer Satisfaction Survey for CY 2021	Results of PNOC CSS for 2021 showed 98% rate of satisfied customers See Annex A
FINANCE	SO 3	Maintain a Sound Financial Condition									
	SM 3	Net Income	Income from Operations <i>Add/deduct:</i> Forex Gains/Loss, Other Income, Income Tax & Unrealized Gain/Loss	25%	Actual over Target	P231.21 Million	P 64.27 Million	P75.71 Million	P715.40 Million	P57.81 Million	P54.30 Million See Annex B
	SO 4	Develop Energy Infrastructure									

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INTERNAL BUSINESS PROCESS	SO 5	Maintain Efficient Management of PNOC Energy Facilities									
	SM 4	Compliance to Integrated Management System (IMS) Standards - PNOC Industrial Park	Actual Accomplishment	10%	All or Nothing	Pass 2nd Surveillance Audit	Submitted Action Plans as corrective actions to the 1st Surveillance Audit observations. Continuous monitoring is being implemented. Processed 6 Document Creation/Change Requests as part of the continuous review and improvement of the IMS Manual.	PIP IMS Internal Audit Team attended two trainings, i.e., Lead Auditor Course and Advanced IMS Training. Processed 12 DCCRs as part of the continuous review and improvement of the PIP IMS Manual.	In preparation for the Park's External Audit (3rd Party), Internal Audit (IA) was conducted on the ff. dates: August 24-27: IA of processes September 8: IA of Top Management Audit of the IA and IMS Team are scheduled on the 1st week of October, as well as the Management Review. Continuous monitoring of action plans is being implemented.	Conduct of 2nd Surveillance Audit	Passed 2nd Surveillance Audit for PNOC Park's ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 See Annex C
INTERNAL BUSINESS PROCESS	SM 5	Pass Certification - ISO 9001:2015 Quality Management Systems for ESB Operations (Systems and Procedures) and ISO 45001:2018 Occupational Health and Safety Management System	Actual Accomplishment	10%	All or Nothing	Pass 1st Surveillance Audit	IMS Meetings conducted on January 25, February 26 and March 29, 2021. Completed closure of all Corrective Action Requests on February 11, 2021.	Conducted 6 IMS Meetings Conducted PNOC ESB Internal Audit Opening Meeting on May 12, 2021 Conducted review on two processes and submitted three (3) DCCRs.	Conducted 9 IMS Meetings Conducted PNOC ESB Internal Audit Closing Meeting on September 22, 2021. Three out of four (3/4) process reviews conducted with eight (8) DCCRs submitted and approved.	1. Implementation of the IMS Policies and Manual 2. Conduct of Internal Audit 3. Conduct of Management Review and 4. Conduct of 1st Surveillance Audit	Passed 1st Surveillance Audit for PNOC ESB's ISO 9001:2015 and ISO 45001:2018 See Annex D
	SO 6	Optimize Asset Productivity									
INTERNAL BUSINESS PROCESS	SM 6	Operation of Energy Supply Base (ESB)	Total No. of sqm occupied over 23,600 sqm available space	5%	Actual over Target	90% occupancy of the total 23,600 sqm.	98.90% occupancy of the total 23,600 sqm. (23,339 out of 23,600 sqm)	98.90% occupancy of the total 23,600 sqm. (23,339 out of 23,600 sqm)	86.68% occupancy of the total 23,600 sqm. Reduction due to release of Arvin International of 3000 sqm to give way for the repair of roofing of Warehouse 3, starting September 2021.	90% occupancy of the total 23,600 sqm.	90.92% occupancy of the total 23,600 sqm Arvin International resumes 3,000 sqm. of Warehouse 3 starting December 18, 2021 See Annex E

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					2021	Actual	Actual	Actual	Target	Actual
					INTERNAL BUSINESS PROCESS					
SM 7	Operation of Energy Supply Base (ESB)	Total No. of DOS conducted over Total No. of Berthed Foreign Vessels	5%	Actual over Target	100% Conduct of the Declaration of Security (DOS) within 24 hours upon berth of foreign vessel at ESB Pier	Total of 17 DOS conducted out of 17 berthed foreign vessels. Average response time for DOS - One hour and twenty nine minutes (1 hr & 29 min) upon berth of foreign vessel	Conducted 32 DOS out of 32 berthed foreign vessels at ESB. Average response time for the conduct of DOS was one hour and forty four minutes (1 hr & 44 min) upon berth of foreign vessel.	Conducted 41 DOS out of 41 Berthed foreign vessels at ESB. Average response time for the conduct of DOS was one hour and fifty eight minutes (1 hr 58 min) upon berth of foreign vessel.	100% Conduct of DOS within 24 hours upon berth of 8 foreign vessel	Conducted 55 DOS out of 55 berthed foreign vessels at ESB. Average response time for the conduct of DOS was two hours and one minute (2 hrs 1 min) upon berth of foreign vessel. See Annex F
SM 8	Improvement/Upgrade of ESB's Facility	Actual Accomplishment	5%	All or Nothing	Completion of Construction of New Fence at Main Gate	Completed 70% of construction of New Fence at Main Gate.	Completed 98% of construction of New Fence at Main Gate.	Completed 100% of construction of New Fence at Main Gate.		
SM 9	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	Disposal through sale of 5 additional Costa Verde and/or El Pueblo Properties	Disposed through sale of 1 Costa Verde Property	Disposed through sale of 1 Costa Verde Property	Disposed through sale of 1 El Pueblo Property	Disposal through sale of 1 additional Costa Verde and/or El Pueblo Property	Disposed through sale of 4 additional Costa Verde Property 1. Block 5 Lot 9 2. Block 5 Lot 10 3. Block 5 Lot 11 4. Block 5 Lot 12 See Annex G

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						2021	Actual	Actual	Actual	Target	Actual	
	SM 10	Disposal of Banked Gas	Actual Accomplishment	5%	All or Nothing	Board Approved Term Sheet	Final Contract Endorsement of MOU & NDA, between PNOC and PSALM, transmitted to PSALM in January 2021	PNOC and PSALM signed MOU and NDA on June 7, 2021 Discussion with PSALM on the proposed sale ongoing. Latest meeting held with PSALM was on June 17, 2021. Conducted meetings with other interested buyer on their intent to purchase banked gas on June 2 and June 30, 2021.	1. Term sheet for a possible sale of banked to FirstGen presented to and approved by PNOC Board Risk Mgt. Comm on Aug. 11, 2021 for endorsement to PNOC Board. 2. Term Sheet for negotiation between PNOC and FirstGen approved by the PNOC Board on Sept. 27, 2021. 3. Ongoing discussion/ negotiation with FirstGen, re: terms for the possible sale of banked gas.		Following the approval of the PNOC Board of the Term Sheet, PNOC Management proceeded with the negotiation and finalization of GSPA with the buyer. Secured Board approval on Nov. 11, 2021 of the final draft of GSPAs between PNOC and First Gen subsidiaries (First NatGas Power Corporation and Prime Meridian PowerGen Corporation.) Secured from DOE Acknowledgement to Supply and Transport Natural Gas. The GSPAs were signed on Dec. 24, 2021.	
	SO 7	Acquire, Develop, Retain and Motivate Talents for Peak Performance										
LEARNING & GROWTH	SM 11	Percentage of employees with required competencies met	Targeted Number of Employees with Required Competencies over Total Number of Targeted Employees	5%	All or Nothing	Increase from 2020 Baseline	Updated the Summary of Baseline Competency Monitoring Report. Total number of employees for profiling were reduced from 111 In CY 2020 to 102 due to the separation/retirement of 9 employees. Based on 102 total personnel, the 85% target will now be equivalent to 87 employees. From the number of employee profiled, 71 out of 87 target employees, or 70% have met the baseline competencies of their position for 1st Quarter.	Issued memorandum to all employees with gap (-) competencies to revise their IDP to include training interventions that would address the gaps Facilitated attendance to training of 91 employees.	Provided employees with choices of learning and development interventions and opportunities particularly those in the priority list of baseline competency matching Continue the monitoring and updating on the status of the employees' competency quarterly using Employee Competency Gap Monitoring Report (ECGMR) form 73 out of 87 targeted employees, or 72% have met the baseline competencies of their position.	4th Quarter Summary of Employee Baseline Competency Monitoring Report; Conduct Employee Competency Assessment	98 out of 108 total number of employees, or 90.74% have met their required competencies vis-à-vis position held See Annex H	

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	SO 8	Develop, Implement and Maintain Efficient and Effective Systems									
LEARNING & GROWTH	SM 12	PNOC Compliance to Quality Standards (PNOC ISO Certification)	Actual Accomplishment	10%	All or Nothing	Pass 1st Surveillance Audit	Completed pre-training requirements and documentations (budget, participants, invitation and confirmation of training provider- FCU) for the IMS Lead Auditors' Training scheduled on April 10 to May 8, 2021.	Conducted 4 trainings from April to June 2021 (Documentation and Document Control Workshop, Advance IMS Course, Lead Auditors' Course and IMS Implementation and Audit Course) QMS Meetings conducted on June 16, 2021 (Orientation Meeting with IQA Auditors) and June 30, 2021 (IQA Opening Meeting) in preparation for the July IQA.	Conducted the Internal Quality Audit from July 1 to July 21, 2021 and Management Meeting on August 18, 2021 Processed 29 DCCRs for July to September as part of the continuous review and improvement of the PNOC QMS Manual. Passed the 1st Surveillance Audit held on September 24, 2021.		Passed the 1st Surveillance Audit for PNOC Head Office ISO 9001:2015 See Annex I
	<i>PNOC Initiatives towards Online Procurement and preparation and implementation of its Information Systems Strategic Plan (ISSP) for 2021</i>										
ADDITIONAL UPDATES		1. Online Procurement		-	-						PNOC has been compliant with posting of procurement requirements since the implementation of the PhilGEPS and has been procuring Common-Use Supplies and Equipment (CSE) from DBM-Procurement Service Virtual Store. See Annex J
		2. ISSP		-	-						Final PNOC ISSP completed and approved by the PNOC Management on September 20, 2021. Final PNOC ISSP submitted to DICT on September 21, 2021. DICT's approval of PNOC ISSP was dated October 21, 2021; advance copy of signed endorsement letter received by PNOC thru email last Nov. 15, 2021. Preparation of requisition documents for 2022 IT resources procurement ongoing.
		Total Weight		100%							