



29 OCTOBER 2021

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 **26 OCTOBER 2021**
 DATE:

RE: **[E] LETTER FROM PNOC TO GCG RE SUBMISSION
 OF MONITORING REPORT OF PERFORMANCE
 TARGETS FOR THE 3RD QUARTER OF 2021**

The said document was officially received by the Governance Commission on 29 October 2021 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: **0-0548-29-10-2021-016842.**

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

Signature over Printed Name

Date and Time

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October 26, 2021

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 Third Quarter of 2021.

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,



ATTY. GRACIELA M. BARLETA
OIC-President and CEO



EBARCC/mbic

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

Strategic Perspective	Strategic Objective	Formula	Weight	Rating System	Target	1st Quarter	2nd Quarter	3rd Quarter		4th Quarter
					2021	Actual	Actual	Target	Actual	Target
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.	Preparation of DFS Consultancy Services Contract and Approval by PNOC Board	1. Re-bid conducted from Aug. 3-10, 2021 (extended up to Aug. 24, 2021, with the same TOR as first round of bid. 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. See Annex A
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	Procure/Bid Consultant for the Conduct of 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 See Annex B
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	25%	Actual over Target	P231.21 Million	P 64.27 Million	P75.71 Million	P57.80 Million	P715.39 Million See Annex C
	SO 4	Develop Energy Infrastructure								
	SO 5	Maintain Efficient Management of PNOC Energy Facilities								

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						2021	Actual	Actual	Target	Actual	Target
INTERNAL BUSINESS PROCESS	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.	Conduct of IMS Internal Audit and Conduct of Management Review	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
	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. See Annex D	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
INTERNAL BUSINESS PROCESS	SO 6	Optimize Asset Productivity									
	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)	70% occupancy of the total 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. See Annex E	90% occupancy of the total 23,600 sqm.

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						2021	Actual	Actual	Target	Actual	Target	
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.	100% Conduct of DOS within 24 hours upon berth of 10 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. See Annex F	100% Conduct of DOS within 24 hours upon berth of 8 foreign vessel	
	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. See Annex G	Completion of Construction of New Fence	
	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 EI Pueblo Properties	Disposed through sale of 1 Costa Verde Property	Disposed through sale of 1 Costa Verde Property	-	Disposed through sale of 1 EI Pueblo Property See Annex H	Disposal through sale of 1 additional Costa Verde and/or EI Pueblo Property	
	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.	Finalization of the Term Sheet	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. See Annex I	Approval of the Board of the Term Sheet	
	SO 7	Acquire, Develop, Retain and Motivate Talents for Peak Performance										

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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%	Actual over target	85% of targeted personnel for competency matching will meet their required baseline competency	<p>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.</p> <p>Based on 102 total personnel, the 85% target will now be equivalent to 87 employees.</p> <p>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.</p>	<p>Issued memorandum to all employees with gap (-) competencies to revise their IDP to include training interventions that would address the gaps</p> <p>Facilitated attendance to training of 91 employees.</p>	3rd Quarter Summary of Employee Baseline Competency Monitoring Report	<p>Provided employees with choices of learning and development interventions and opportunities particularly those in the priority list of baseline competency matching</p> <p>Continue the monitoring and updating on the status of the employees' competency quarterly using Employee Competency Gap Monitoring Report (ECGMR) form</p> <p>73 out of 87 target employees, or 72% have met the baseline competencies of their position.</p> <p>See Annex J</p>	4th Quarter Summary of Employee Baseline Competency Monitoring Report; Conduct Employee Competency Assessment
	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.	<p>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)</p> <p>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.</p>	Pass the 1st Surveillance Audit	<p>Conducted the Internal Quality Audit from July 1 to July 21, 2021 and Management Meeting on August 18, 2021</p> <p>Processed 29 DCCRs for July to September as part of the continuous review and improvement of the PNOC QMS Manual.</p> <p>Passed the 1st Surveillance Audit held on September 24, 2021.</p> <p>See Annex K</p>	
		Total Weight		100%							