



10 April 2018

MR. ARTHUR P. TUGADE
DOTr Secretary & LRTA Chairman
GEN. REYNALDO I. BERROYA
Administrator
LIGHT RAIL TRANSIT AUTHORITY (LRTA)
 1st Floor Line 2 Depot
 Marcos Highway, Pasig City

RE: VALIDATION RESULT OF THE CY 2016 PERFORMANCE SCORECARD OF LRTA

Dear Sec. Tugade and Administrator Berroya,

This is to formally transmit the validation result of LRTA's 2016 Performance Scorecard. Based on the Governance Commission's validation of documentary submissions and conduct of on-site validation on 11 July 2017, the LRTA gained an over-all score of **77.38%** (See **Annex A**).

In relation to its application for the grant of CY 2016 PBB to eligible officers and employees, the LRTA fails to satisfy the requirements of **GCG MEMORANDUM CIRCULAR (MC) No. 2017-01** and the *Checklist of Documents to be submitted by GOCCs to Qualify for the FY 2016 Performance-Based Bonus (PBB)*, particularly the achievement of a weighted-average score of at least 90% in its 2016 Performance Scorecard. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered a violation of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149.¹

Consequently, pursuant to GCG M.C. No. 2014-06, failure to qualify for the PBB means that the Appointive Members of the Governing Board of LRTA shall not be qualified to receive the Performance-Based Incentive (PBI).

FOR YOUR INFORMATION AND GUIDANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.
Chairman

MICHAEL P. CLORIBEL
Commissioner

MARITES C. DORAL
Commissioner

Cc: COA Resident Auditor – LRTA

¹ GOCC Governance Act of 2011

LIGHT RAIL TRANSIT AUTHORITY
2016 Performance Scorecard

Performance Measures		LRTA Submission			GCG Evaluation		Supporting Documents		Remarks		
		Objective/Measure	Formula	Weight	Target	Actual				Rating	Score
SOCIAL IMPACT											
SO 1 Passenger Ridership Increased											
SM 1	Increase in Ridership	Absolute Figure (in Millions)	0%	L1: 140.26 L2: 62.71	L1: 148.00 L2: 66.89	0%	0%	L1: 148.00 L2: 67.00	0%	- CY 2016 Passenger Ridership Summary Report for Line 1 - CY 2016 Passenger Ridership Summary Report for Line 2	Ridership increased by 6.67 Million or 4.72% from 2015. Ridership increased by 4.79 Million or 7.70% from 2015.
	Sub-total		0%			0%	0%		0%		
SO 2 Customer Satisfaction Improved											
SM 2	Customer Satisfaction Improved	Customer Satisfaction Rating	10%	L2: Very Satisfactory Rating	Very Satisfactory Rating	10%	10%	Very Satisfactory Rating	10%	- CY 2016 Customer Satisfaction Survey	Overall weighted satisfaction is 5.95 out of 7. Line 2 lead with highest satisfaction across all other public transportations.
	Sub-total		10%			10%	10%		10%		
INTERNAL PROCESS											
SO 3 To Ensure Delivery of Performance by the Private Concessionaire											
SM 3	Compliance of Concessionaire to Performance Commitments under the Concession Agreement	Percentage of compliance to Secondary KPIs (No. of Rectified Noncompliance + Total No. of Noncompliance x 100)	7%	L1: 90%	L1: 97.88%	7%	7%	97.88%	7%	- CY 2016 Secondary KPI Monthly Report	1,431 rectifications were made out of 1,462 non-compliances/ citations notice issued.

Performance Measures		LRTA Submission		GCG Evaluation		Supporting Documents		Remarks	
Objective/Measure	Formula	Weight	Target	Actual	Rating	Score	Rating	Documents	Remarks
SM 4	Compliance of Line 2 Automated Fare Collection System (AFCS) Concessionaire to Service Level Agreement (SLA)	Percentage of compliance to SLA provisions (No. of provisions complied + Total number relevant provisions) x 100	7%	90% Compliance	90.06%	7%	90.06%	7%	<ul style="list-style-type: none"> - CY 2016 Report on AFCS - Concessionaires Compliance to Service Level Agreement <p>Areas of Responsibilities/Deliverables include:</p> <ul style="list-style-type: none"> - Operations - Financial Settlement - Systems - Maintenance - Customer Support
SO 4 To Develop New Business Ventures and Allied Services									
SM 5	Implementation of Line 2 Passenger/Bus Feeder System	Actual implementation	7%	Delivery of seven (7) units Passenger Buses by 3rd Quarter 2016	Project cancelled	-	N/A	-	<ul style="list-style-type: none"> - Request for Renegotiation <p>Through a letter dated 7 October 2017, LRTA instructed PS-DBM to cancel the procurement of the buses. Point-to-Point (P2P) Bus Services was adopted instead, in coordination with DOTr. Measure excluded.</p>
SO 5 To Increase Efficiency and Reliability of LRT Systems and Processes									
SM 6	Improve Systems and Facilities	All or Nothing for Line 1	5%	L1: 1 Rail Replacement Project (P277M)	L1: 1	5%	L1: 1	5%	<ul style="list-style-type: none"> - CY 2016 List of Completed Projects <p>Completed in January 2016 with project cost of P269.05 Million.</p>

Performance Measures			LRTA Submission		GCG Evaluation		Supporting Documents	Remarks
Objective/Measure	Formula	Weight	Target	Actual	Rating	Score		
	No. of projects completed	10%	L2: 15 (R151.93M; total of 15 projects)	L2: 5 projects completed	3.33%	L2: 5 projects completed	3.33%	Targeted projects were requested for renegotiation due to reasons beyond LRTA's control. ² However, delay attendant in the procurement of the projects, most of which started as early as 2015, do not merit exclusion.
	Headway - Loop time + No. of trains running	5%	L2: 5 minutes	L2: 6 Minutes	5%	6 Minutes	4%	Based on the 25 October 2016 letter of Carrier Korea, Ltd., it "cannot and will not anymore supply" the spare parts for the 12 train sets required to meet the 5-minute headway. Also, delays were attributed to minimal/ non-participation of prospective bidders.
SM 7 Improve Reliability of Train Service	Average interruption time per incident - (total service time / frequency count)	5%	Line 2: Less than or equal to 13.37 minutes	L2:12.33 minutes	5%	L2: 12.33 minutes	5%	A total of 148-minute interruption time was recorded, from 12 incidents which occurred during the year.
SM 8 Reduction of Train Service Interruption								

- a. Four (4) projects – Delay in the procurement process as undertaken by PS-DBM (i. Supply and Installation of UPS and Battery Bank at all Line 2 Telecom Equipment Room; ii. Requisition of Trainset Wheels; iii. Turn-out Replacement; and iv. Re-ralling Equipment). -
b. One (1) project – Delay was due to the non-compliance with the documentary requirements of the contractor within the prescribed period of submission (Upgrading and replacement of air-conditioning system at mainline stations).
c. Two (2) projects – Cancelled and included in the Line 2 East Extension Project and Line 2 Maintenance Contract (i. Anti-slip compound at the Line 2 stations; ii. Mimic Diagram Video Equipment).
d. Three (3) projects – For re-bidding due to non-participation of bidders and disqualification due to non-compliance with the technical specifications (i Scissor lift and self-propelled articulating boom; ii. Upgrading and installation of UPS System (Phase 2) and Depot Electrical Rooms, iii. Repair of unbonded concrete plinths at LRT Line 2 mainline Phase 2.

Performance Measures		LRTA Submission		GCG Evaluation		Supporting Documents		Remarks	
Objective/Measure	Formula	Weight	Target	Actual	Rating	Score	Rating	Documents	Remarks
SM 9	Budget Utilization Rate	(Actual award + total approved APP)	100% <i>*Excluding multi-year projects and cancelled/disapproved projects</i>	67.58%	6.76%	67.58%	6.76%	- CY 2016 BUR Report	Total ABC Approved PRTOR - P332 M Cancelled/Failed Bidding - P127 M Total Awarded - P138 M
SM 10	Establishment of the Integrated Performance Management System	Percentage of accomplishment	100% Delivery and installation of Concession Monitoring Module and Corporate Performance Management System (including User's Training and User Acceptance Report) by Dec. 2016	100% delivered for the following modules: - Corporate Performance Management System - Concession Monitoring Module - Materials Management System - Ticket Inventory Management System	6%	6%	3%	- Copy of the Modules - Request for Renegotiation	A study was undertaken by DOTr and LRTA in coordination with PPP Center on the preparation of a new KPI Manual. The World Bank submitted a proposal, and is currently under study, and is anticipated to effect changes in the TOR of the project. Thus, LRTA in the meantime, developed modules to facilitate performance management.
Sub-total					62%		45.09%		41.09%
SO 6 To Sustain Financial Conditions									
SM 11	Sustain Line 2 Farebox Ratio of Not Less than 1.00	Farebox Ratio = Gross Revenue + Operating Expenses	1.00	1.54	5%	1.53	5%	- COA Audited Financial Statements	Gross Revenues - P1,307 M Operating Expenses - P852 M
SM 12	Increase in Non-Rail Revenue of Line 2*	Actual revenue collected *Commercial and advertising space only	P 64.99 M (1.5%)	P 120.38 M	7%	P 120.38 M	7%	- Non-Rail Business Actual Income Report	Target exceeded by 85%.
Sub-total					12%		12%		

Performance Measures		LRTA Submission		GCG Evaluation		Supporting Documents		Remarks		
Objective/Measure	Formula	Weight	Target	Actual	Rating	Score	Rating			
LEARNING AND GROWTH										
SO 7 To be the Center for Railway System Competency and Expertise										
SM 13	Competency Model	Actual Accomplishment	5%	Establish baseline	Competency Profile of all positions in LRTA completed and established	5%	Competency Profile of all positions in LRTA completed and established	5%	- HRM Division Report on Actual Accomplishment for the Establishment of Baseline for Competency Model	Profiles validated during on-site visit.
SM 14	Establishment of Philippine Railway Institute	Actual Accomplishment	5%	Submission of FS, Business Plan and Detailed Plans and Activities to the LRTA Board of Directors by December 2016	N/A	-	N/A	-	- Request for Renegotiation	Through Special Order No. 171 dated 22 November 2016, LRTA created a Railway Training Center as an interim structure to become a precursor of the Philippine Railway Institute, thereby changing the timeline of activities initially planned in 2015. On-going coordination with TESDA are being conducted for the accreditation of LRTA as a Training Center for Railways. <i>Measure excluded.</i>

Performance Measures		LRTA Submission		CCG Evaluation		Supporting Documents	Remarks		
Objective/Measure	Formula	Weight	Target	Actual	Rating	Score	Rating		
SO 9 To Establish an Effective and Responsive Organization									
SM 15 Implementation of the Approved Reorganizational Plan (RP)	Actual Submission	6%	Submission of Proposed RP to the GCG by April 2016	No submission to the GCG For further study as per instructions of the LRTA BOD	-	No submission	0%	- Request for Renegotiation	Based on Minutes of Meeting dated 29 November 2016, LRTA Board resolved to "defer consideration of the proposed reorganization of the LRTA pending determination by the DOTr of policy direction on what respective roles the various rail agencies will have and undertake."
	<i>Sub-total</i>	16%			5%		5%		
	SCORECARD TOTAL	100%			68.76%		68.09%		
	EXCLUDED WEIGHTS	(12%)							
	VALIDATED TOTAL	88%							
	VALIDATED RATING	(68.09% / 88%) = 77.38%							