

MANAGEMENT REVIEW

Minutes of the Meeting

Venue: LRTA Line 2 Depot Santolan, Pasig City

Date & Time: Friday, 20 January 2023 at 1:00 P.M., via Zoom

Participants:

ManCom Members:

Mr. Felix Gerard R. Leyson	-	OIC, Deputy Administrator for Operations & Engineering Concurrent Department Manager A, CAMT
Atty. Jose Jobel V. Belarmino	-	OIC, Deputy Administrator for Admin., Finance & AFCS Concurrent Department Manager, Legal Department
Ms. Prima M. Tapia	-	Department Manager A, Internal Audit Department
Ms. Anabelle C. Ganancial	-	Department Manager A, BDPRD
Mr. Raymond C. Vasquez	-	OIC, Line 2 Operations Department
Mr. Nicolas G. Ombao	-	Department Manager A, FROG
Engr. Santos G. Abrazado	-	OIC, Lines 1 & 2 Engineering Department
Ms. Marilou B. Liscano	-	Department Manager A, Finance Department
Mr. Dominic F. Kabisigting	-	OIC, Administrative Department
	-	Concurrent Division Manager A, KMIT Division
	-	Management Representative, QMS Core Team
	-	Head, Mancom Secretariat
Engr. Joseph Dexter S. Buenconsejo	-	Project Manager, Line 2 East Extension Project
Engr. Lorelie L. Reyes	-	OIC, Planning Department
	-	Concurrent Project Manager, Line 2 West Extension Project
Ms. Eleanor C. Palaypayon	-	OIC, Project Manager, Line 1 South Extension Project

Division Managers/Process Owners/Resource Persons

Ms. Maria Yssel O. Silbol	-	Executive Assistant, Office of the Administrator
Ms. Eleanore T. Domingo	-	Department Manager A, Planning Department
Ms. Rosalea R. Mariano	-	OIC, Corporate Planning & Research Division
Mr. Jimmy L. Chua	-	Division Manager A, Safety & Security Division
Mr. Nestor B. Flores	-	Head, LRTA Special Projects
Ms. Ma. Corazon S. Pascual	-	Division Manager A, Budget & Financial Planning Division
Ms. Evelyn L. Macalino	-	Division Manager A, Accounting Division

44	Ms. Jenilyn P. Malapo	-	Division Manager A, Treasury Division
45	Ms. Evelyn P. Janeo	-	Division Manager A, Public Relations Division
46	Mr. Plaridel N. Dela Torre	-	OIC, Asset Management Division
47	Mr. Leo A. Mangampo	-	OIC, General Services Division
48	Ms. Leomarie V. Obias	-	OIC, Business Development Division
49	Atty. Aylwinston C. Pillos	-	Division Manager A, Procurement Division
50	Ms. Divina J. Guison	-	HRM Officer V, Human Resources Management Division
51	Mr. Alfredo G. Jingco Jr.	-	Internal Auditor V, Operations and Compliance Division
52	Ms. Catherine Lopez	-	Division Manager A, AFCS Administration Division
53	Engr. Sherwin P. Biscocho	-	Division Manager A, Compliance Control Division
54	Ms. Maria Estela S. Boquiren	-	Internal Auditor V, Financial Management
55	Mr. Wilfredo S. Bongcaron	-	OIC, Line 2 Station Operations Division
56	Ms. Lusyl Moreno	-	OIC, Fare Revenue Clearing Division
57	Ms. Emmalyn Basibas	-	Management Information System Design Specialist
58	Mr. Fernando Salvador	-	Division Manager A, Ticket Management & Sales
59			Collection Division
60	Mr. Jomel Maranan	-	Document Controller
61	Mr. Merlo G. Gallardo	-	OIC, Line 2 Traffic Control Division
62	Mr. Donferry Manalaysay	-	Senior Corporate Planning Analyst
63	Mr. Warren Arzadon	-	OIC, Line 2 Train Operations Division
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66	QMS Secretariat:		
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68	Ms. Maria Ivyña Santos	-	Secretariat Chairperson, QMS Secretariat
69	Ms. Hazel S. Pede	-	Member, QMS Secretariat
70	Ms. Analyn Oliquino	-	Member, QMS Secretariat
71	Ms. Lourdes C. Faustino	-	Member, QMS Secretariat
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74	Mancom Secretariat:		
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76	Ms. Pinky A. Magtibay	-	Member, Mancom Secretariat
77	Ms. Jessica Mae C. Bugarin	-	Member, Mancom Secretariat
78	Ms. Melody R. Camitan	-	Member, Mancom Secretariat
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85	I. CALL TO ORDER		
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The Management Review (MR) January 2023 was convened through Zoom Teleconference at Line 2 Depot Santolan, Pasig City. In the absence of the Administrator, who attended the Cabinet Meeting, Mr. Dominic Kabigting, Management Representative, presided and facilitated the conduct of the Management Review. With majority of the Management Committee (ManCom) Members present, the meeting was called to order at 1:06 PM. He also acknowledged the presence of the QMS Core Team Members and the Division Managers/Heads of Offices and other technical staff as well as the Secretariat Staff, who are present in the ManCom meeting as resource persons or to provide administrative/technical support.

II. BUSINESS MATTERS

A. PRESENTATION OF THE MANAGEMENT REVIEW (MR) AGENDA

Mr. Kabigting pointed out that according to the requirement and as stated in the Quality Manual, the LRTA Management should conduct a Management Review (MR) at least once a year to improve the LRT 2 operations. For concerns requiring immediate action, they shall be taken up during the regular Management Committee meetings.

Mr. Kabigting presented the agenda for the MR as follows:

1. Opening Remarks from the Administrator
2. Approval of the Previous Management Review Minutes
3. Status of the Issues During Previous Review
4. Compliance to Risk Management System
5. Internal Quality Audit Findings
6. Customer Feedback
7. Performance of the QMS Core Team
8. Review of Resources
9. Core Business Process Performance
10. Process Improvement Action
11. QMS Improvement Action

Mr. Kabigting asked the body for comments or objections to the presented Agenda. The body noted the matter.

B. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

Mr. Kabigting asked the body for the approval of the previous minutes of the meeting. Ms. Marilou Liscano, Finance Department Manager, commented on the previous minutes regarding the modified or amended Memorandum of Agreement (MOA) with the Land Bank of the Philippines (LBP), cited that the MOA was already signed last April 11, 2022 and the Fare Revenue Operations Group (FROG) is already implementing it; hence it is already completed and done. Mr. Ombao concurred with the observation and correction made by Ms. Liscano.

Upon motion by Ms. Domingo and duly seconded by Atty. Belarmino, the Minutes of Meeting of the Management Review on 31 August 2022 was approved, with correction as cited by Ms. Liscano.

C. STATUS OF THE ISSUES DURING PREVIOUS REVIEW

1. Risk Management Information System (RMIS)

Ms. Lopez manifested that we have started implementing the RMIS and reiterated that we institutionalize the use of the Risk Management Information System (RMIS) in the LRTA. She encouraged the process owners continue using the RMIS and reminded the different offices to update their respective RMIS. Recently, a Memorandum was issued by the Risk Management Team, requesting the update through the use of RMIS, and the compliance of all the offices, particularly the Core Group. Ms. Lopez pointed out to use and update the RMIS so they can easily manage their Risk Registry. Lastly, there will be an RMIS Orientation for Top Management to be scheduled.

Mr. Kabigting requested the QMS Secretariat for the schedule of the orientation for the top management and also informed everyone that the RMIS procedure is already approved. In line with this, Ms. Lopez further added that they submitted the manual and guidelines last November 2022 to the Deputy Controller (DC) for enrollment and uploading to the LogicalDocs.

Mr. Kabigting asked the body for any comments/feedback. The body noted the matter, so he proceeded to the next issue/topic.

2. Immediate Restoration of Line 2 Elevators/Escalators

Engr. Abrazado informed that most of the previously reported defective elevators/escalators have now been repaired and addressed. In fact, there are periods when they are 100% operational. To date, there are three (3) down escalators and targeted to be completed by the end of the month.

Mr. Kabigting duly noted and inquired for the baseline. Engr. Abrazado replied that operational escalators should be fourteen (14) and for the elevator, half of them are down. To date, only three (3) escalators are down and are being repaired. The target date of completion is by the end of the month.

Mr. Kabigting asked the body for comment/feedback. The body noted the matter and requested for a regular update on this.

3. Functional and Availability of Ticket Vending Machines (TVMs)

Mr. Ombao manifested, and for everyone's information, LRT Line 2 has a total of 100 TVMs installed from Recto to Antipolo, and out of 100 TVMs, according to the report coming from FROG office and SOD, there are 99 functional out of 100 TVMs. Thus, LRT Line 2 has about 99% TVMs operational. That one (1) non-

operational TVM is in Marikina, with some software issues, but it is under warranty and the responsibility of the Contractor. The software upgrade is ongoing.

Mr. Kabigting noted the matter then proceeded to the next issue.

4. QMR Team concerns with the PR and FROG Divisions

Mr. Ombao manifested that the issue was addressed already, the complaints from the stations were consolidated, ticketing and facility complaints/issues were rectified.

Ms. Janeo answered that the issue has been coordinated with the concerned offices and she added that this is also the reason why the LRT Line 2 rating is low. Also, Ms. Janeo added that the primary factor that contributed to the low rating were survey results/comments as to TVMs in the stations. The Ticket Vending Machines (TVMs) are examples of passenger complaints due to closed and/or defective signages installed. Mr. Ombao agrees to the signage adjustment.

The body noted on the matter.

5. ISO Certification Delay

Mr. Kabigting manifested that LRTA did not get the target of being certified last December 2022 due to some problems with the Terms of Reference (TOR) so the procurement for the third-party auditor was delayed. It was just awarded in December 2022. Thus, the Audit schedule for December 9 and 10 was requested to be rescheduled to January 30 and 31, 2023, and the Certifying Auditor agreed. Possibly the ISO Certification will be issued by the end of February or early March 2023 at the earliest.

The body noted on the matter.

6. Internal Quality Audit (IQA)

Mr. Kabigting acknowledged the Internal Quality Audit (IQA) Team spearheaded by Engr. Sherwin Biscocho.

Engr. Biscocho affirmed that the IQA or the Mock Audit for all offices started on October 20, 2022 and ended last December 5, 2022. He also thanked all the process owners for undergoing assessment and participation.

7. Deadline for the updating of Risk Registration

Mr. Kabigting stated that the deadline for updating the Risk Registry was last September 9, 2022 and all process owners have submitted their Risk Registry.

8. Online Orientation and Briefing on ISO 9001:2015 Quality Management System (QMS)

Mr. Kabigting emphasized that the QMS team, together with Engr. Biscocho, conducted an online orientation with the process owners, security personnel, and even contractors. He also added that there is also a program every Monday during the Flag Raising Ceremonies, where there is a brief orientation and someone will recite, without a copy, the mission, vision, quality statement, mandate, and core values. So, all employees are still encouraged to deliver, not necessarily memorize, but take to heart the quality statement and core values.

9. Inventory of the consumables

Mr. Mangampo stated that the inventory of consumables was done. He added that these were the turnover of consumables from AMSCO's maintenance contractor. He added that they have already the complete inventory of the consumables.

10. The immediate address of spare parts needed

Mr. Kabigting requested for an update regarding the issue. Mr. Mangampo answered that when it comes to the inventory of capital spares, it is done already and the Committee is finalizing the submission. The inventory was finished last December 2022. Mr. Kabigting commented and inquired from Ms. Pascual and Engr. Reyes about the capitalized inventory build-up. Engr. Reyes agreed and replied that it is part of the corporate programs and one of the priorities.

11. Term of "Over stock" to "Ending Balance" and Station Operations Staffing Concerns

Mr. Kabigting manifested that they already corrected the term used in the Inventory System. On another concern, he commented that in the Station Operations Division, minimal manpower performs duties in the thirteen (13) LRT 2 Stations. It has also been discussed to Mr. Bongcaron and Mr. Vasquez that there is no Work-from-Home arrangement in the passenger-facing personnel, and lastly, that the personnel are already on board, not just Station Tellers but also Train Drivers. Mr. Vasquez answered that those who will be deployed are still being recalled. In Station Operations Division, additional ten (10) personnel will be added while the train drivers are already complete.

12. Students availing of the fare discount

Mr. Ombao stated that this is the program of the DOTr; LRTA already complied and we have completed this program by giving discounts to students.

13. TCD requested to fill up the vacant positions

Mr. Gallardo manifested that the request to HR is done and for final interview.

Ms. Guison replied that on the request of Traffic Control Division (TCD) for the immediate filling up of the vacant position for the Chief position, they have already hired one in TCD, and for the vacant position in their

contractual Transport Officer A position, the result of the interview was already forwarded to the HRM Division and the endorsement is being prepared by the recruitment section.

14. TCD request to have a room for the refresher course.

Mr. Gallardo pointed out that the refresher course is still online, and when they have a face-to-face training course they do it in the viewing room of TCD. Mr. Kabigting added that we have an HR Extension Office in Recto station for training purposes.

Ms. Guison added that relative to the TCD's request to have a room for the refresher course, the one in our training room and the Recto Station is now available.

15. Endorsement for the recommendation of the newly-proposed Key Performance Indicator (KPI) dashboard

Engr. Reyes manifested that this is related to what they are doing that the Administrator ordered LRT Line 2 KPIs. Just to give an update, they are done with all the indicators. They are still collecting all the data to be provided by the offices like TCD and Train Operations Division (TOD). She added that they have submitted it through Mr. Pasamba to DA Chua's office. Also, the Engineering and Station Operations Division (SOD) have submitted the data for compilation. After that, they will provide the Knowledge Management and Information Technology Division (KMITD) with the data to be placed in the dashboard.

Ms. Macalino added that in relation to the inventory, the only thing missing is the systems and facilities, which will be given by the Asset Management Division, and the rest of the report is for printing.

16. Re-visit of Quality Objectives Plans and Request for Action

Mr. Kabigting pointed out that many offices have complied and some were in the RFAs. He also said that Engr. Biscocho will tackle the RFAs as we proceed with the meeting.

17. Creation of Supply Chain Management Office

On the Supply Chain Management, Ms. Domingo explained that Mr. Arquiza of the Corporate Planning & Research Division (CPRD) has already conducted a Materials Planning Study. She said that she had few comments and look at the supply chain in the study. The report is almost done, though their revisions have not yet been forwarded. Thus, they will probably present it to ManCom once they have fine-tuned the study. The report is in collaboration with Atty. Pillos and Engr. Abrazado.

Engr. Reyes further added that they are in the process of finalizing the study and the target is to finish the draft study by next week.

18. Creation of Subsidiary Companies

On this topic, Ms. Domingo recalled that a CSW had been conducted where they even met with the technical staff of the Governance Commission for GOCCs (GCG) to inquire about how to setup subsidiary companies. There was already approval by the Board to make a study on the creation of subsidiary companies. However, this initiative was deprioritized because of a change in direction when there was a change in leadership. Now that we are conducting the strategic planning, we could go back to this initiative and include it in the plans of LRTA or in its Roadmap. This is a good project; once we are able to strengthen the LRTA organizational structure, this initiative can continue to have it in the future. This could be included in our Strategic Plan, and be submitted anew to the LRTA Board for approval since it has to revalidate whatever plans we had in the previous years.

Atty. Belarmino proposed for a thorough study, especially on the purpose, objective as well as the vision. This should be studied well by an appropriate office in LRTA. Parallel to this, he proposed to include this in our strategic plan; the Planning Department should also start studying initially what it can contain, what the requirements are, what the vision is. The most important thing is that we know why we need or create a subsidiary company, for what purpose, and can the LRTA's existing setup address this requirement since the present LRTA may not be able to accomplish its objective

Ms. Domingo agreed and further added that there is a concept note that should be done on this.

Atty. Belarmino expounded that we can start with the study without belaboring ourselves with the approval of the board because it is just a study. This is just for the consumption of the Management.

19. Resumption of operations after the earthquake is longer than other lines

Mr. Kabigting explained that the issue was raised before on why it takes so long for the LRT Line 2 to resume after every earthquake. On this, and then Administrator Cabrera reminded us that the resumption should not be rushed as foremost consideration should be on the integrity of the structure and safety of the people and the facilities. Anyway, in relation to on this matter, Mr. Kabigting reported that what we did last December, they conducted a workshop with different offices, the Operations Department and other offices regarding the creation of Business continuity plan. The drafted Special Order is with the Administrator, for his approval of the creation of a Public Service Continuity Committee.

20. Need to Avert the exercise of repeated biddings, especially for the food expenses during trainings/activities

Mr. Kabigting manifested that in relation to this, we always get a cash advance for the food and the venue when there are occasions/trainings/activities. Now a Terms of Reference (TOR) has been prepared for food and the venue. This will avert the exercise of repeated cash advance and shopping for meals every time we have activities. Subsequently, regarding the Special Order at the Supply Chain Office, they are just waiting for the outcome from the Planning Department.

21. Need to materialize the LRTA's mission which is to provide world-class light rail transit systems

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343 Engr. Reyes stated that this is attainable with all the planned programs and projects and heading in that
344 direction; as world-class, it may take a while.

345 **22. Instigation of a monthly compliance meeting to all offices to check and monitor if their**
346 **targets or commitments are achieved and if compliance with policies**

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349 Mr. Kabigting manifested that CAMT will issue a Special Order.

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351 Mr. Leyson answered that the office order is only for the additional mandate to audit the KPI for Line 2. He
352 added that the office order is for updating and amendment of the existing Office Order for Line 1 because of
353 the resignation, and retirement of other officers. So, we have to update and amend the positions of the
354 members as well as the functions. He inquired who will prepare for Line 2.

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356 Engr. Reyes further added that they finalizing the KPI for Line 2, so maybe, the next with Sir Paul Chua would
357 be on this concern as he is the one delegated by the Administrator to spearhead the KPI for Line 2.

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359 Mr. Leyson expounded that's where the how to do it comes in and what should be done. Because the CA
360 baseline is not totally adopted, so we need to study that. So, we should also be able to provide that to our
361 CAMT team so that we can come up with a so-called IRR only for Line 2. Because they will not be penalized
362 in terms of money in the event that there is a failure to meet the baseline requirement. He requested that it
363 be shared what was inputted or done to them.

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365 Engr. Reyes agreed to Mr. Leyson and will involve CAMT for finalization of the KPI for Line 2.

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367 **23. Membership of the LRTA in UIC to access all the database of suppliers, and specifications**

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369 Mr. Jimenez explained that in UIC, there are levels of requirements in addition to levels of membership. The
370 UIC is more on operators, on the operator's side; it's the management of the railways, as well as the
371 development of the railways. Someone talked to him today about an event where they made the
372 presentations more on innovations, and investment, then there is a supply chain that is included in the event.
373 For UIC, he will draft a memorandum with the data that he gathered as well as their requirements so that
374 everyone can at least see it. Actually, the research is continuous for that information in addition to the
375 associations that we can join. So far, it's been in AROA where many from LRTA have been invited as
376 speakers in their events.

377
378 Atty. Belarmino added that Mr. Jimenez' group is not only looking at UIC for LRTA membership, so we are
379 also considering other organizations where we can enlist as a member of these organizations. The only thing
380 we need to finalize is how much budget is needed for that because most organizations or railway
381 organizations have a membership fee and then they will coordinate with the Budget Division for the required
382 fund. Once they finalize the data the office of Mr. Jimenez will submit it to Atty. Belarmino and to Management
383 for approval and then for the needed budget as well.

24. OTS audit

Mr. Jimmy Chua of SSD manifested that in OTS audit, they noticed the following:

- the security signages, regarding "No ID, No inspection, No Entry" because most of our signages are already dilapidated, they have already had a meeting together with PR and SOD because what OTS wants is a more standardized size, they want our signage to be about 2ft by 2.5ft so we are just waiting for it to be printed so we can install it.
- the display to advise passengers that when it comes to unattended items or suspicious personnel, we should have signage encouraging them to report it to the station personnel. That is also included in the signage we are making.
- the walk thru, a machine that must be calibrated which was done by the agency. We only noticed one thing that seems difficult to comply with because it's like in the airport process, before entering the walk thru regarding the metal detector. We think this applies to airports only, but for us, it is difficult to persuade passengers to remove their watches, belts, earrings, and necklaces before entering our station.

Mr. Jimmy added that LRT is a mass transportation and there will be a long queuing especially during peak hours. One of their findings of OTS is the alleged use of our handheld metal detector, because they want the handheld metal detector to be applied to the body of the incoming passenger and the luggage to be used should be an inspection stick. In our case, except for going through the walk thru metal detector, we use the handheld metal detector for the luggage, when something rings, we inspect it manually. The posts of prohibited items are not visible to the public. So that is also included in the PR to be included in the signages that will be posted at the entrances. Then, sir, screening of vehicles conducted at Depot, we implement it as standard, but in case our security personnel do not comply with corresponding penalties. There are people who complain that they are careless, thus, the SSD act promptly. Then, there is the non-inspection of deliveries to our tenants at the station, what happens is that when stalls arrive, they go straight, they are not inspected. We have already reiterated that, but for a long time we have no exemption for everyone who enters the station. The OTS also noticed at Marikina Station, that the possible intruders can climb up our stairs, and we already coordinated with PMO East to put up a barrier. The PMO East is already talking to the DMCI about how to attach the barrier. Then with the rectifiers, the OTS required frequent inspection. Then the last is the overgrown shrubs on our island in between Marikina and Antipolo, the center island has plants because the LGU is there, what the OTS wants is for us to trim it because it is possible that intruders can hide which is only ours, coordinated It's up to the LGU to trim periodically because we can't just cut it off.

Mr. Kabigting stated that generally the OTS findings are good, only with the signages that need to be installed.

Mr. Kabigting expressed gratitude because it seems that all the issues that were raised, all the issues that were raised in the past management review have been addressed, although not all are closed because they are continuing, but they have all been addressed.

Ms. Liscano manifested that just one item in the minutes, about the claims, insurance claims on GSIS. Mr. dela Torre explained that currently we have three pending claims with the GSIS, one from the collision, two

from the fire incident. He added that they had a meeting with the GSIS at the Asset Office. So, they say it's still with the adjuster, and planning to report to the Philippine Insurance Commission, report to their adjuster. Thus, we have already made a follow-up letter with them, so we are still in the waiting room for our three insurance claims with them.

Atty. Belarmino further added that they will set a meeting with Mr. dela Torre. The Legal and OIC Deputy have participation in the discussion on how to set a deadline for that and then if they still don't do anything then we can make a formal or official either a complaint or a case specifically for that purpose. Let's have a meeting so we can synchronize.

D. Compliance to Risk Management System

Ms. Lopez, Head of the Risk Management Team presented.

Ms. Lopez presented an update on the current status of LRTA Risk Registry based on the RMI System application as developed by Engr. Erwin Satingin. The RMT appreciates the collective efforts of all offices and process owners who took the time to use and learn the RMIS application and incorporate their respective Risk Registry into the system. Although RMT is aware that it is very challenging, the outcome is well verified because we have now an in-house designed information system that helps our top decision makers evaluate and keep track of all the relevant information including risk exposure, risk protect measure, and risk management as well. As of January 19, 2023, LRTA has Low Risk priority, the Core Group has 48% of low risk and Support group has 55% and the Management has 100% low risk whereas for the medium risk priority, the core group has 52% and support group has 42%. In summary, most of the risk registered is on the low risk priority. Thus, in terms of risk, LRTA needs to maintain its existing controls so no additional controls are required and we can implement at very low cost in terms of time and money and effort. We may or may not be considered for pursuing that opportunity. She also presented the current risk priority distribution that LRT has. Thus, we have 55% for low risk priority, 43% for medium risk priority, and 2% on high risk priority. This is the actual dashboard of the RMIS. So, based on this, the top 2 risk registered came from two offices, from support group and one office from the core group. And then, on the other hand the top opportunities came from the offices of FROG, TCD, Treasury Division, and CPRD.

RMT's Recommendations/ ways forward this will so as to ensure that all the listed related information are maintained and retained, are as follows:

1. Institutionalize the use of RMIS to ensure that all risk-related information is maintained and retained.
2. LRTA to adopt and to embed in our culture a risk-based thinking in crafting, implementing, evaluating, and continuous improvement of process, programs, and policies.
3. Most of the risks registered as of January 19, 2022 are on the low risk priority; LRTA needs to maintain its existing controls.
4. Process owners to check the Agenda page of the RMIS application for monitoring of risk registries.

- 470 5. A Call to all the Process owners to be proactive and to gradually incorporate the RMIS in their
471 duties and responsibilities.

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473 Mr. Kabigting recommends all the LRTA personnel to use RMIS to easily monitor, address the risk, and also
474 for documentation.

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476 Ms. Lopez further announced that for all the process owners who are having a hard time in the RMIS, they
477 could address it to them and will gladly guide them.

478
479 Engr. Biscocho asked the Risk Management Team how the Risk Registry will be presented to the Third-Party
480 Auditors. Should it have been presented on a hard copy or through the website, this is for uniformity purposes.

481
482 Ms. Lopez suggested using the RMIS to show the auditors that we already have a system for monitoring the
483 risks and for documentation or consolidation of the risks of LRTA. Since once the risk is entered into the
484 system, it will already inform you if you have upcoming agenda to monitor and make action on it. This will be
485 a way to also show that LRTA is the only agency with this system as of now.

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487 In conclusion, the offices should be ready to show the RMIS whenever third-party auditors ask about the Risk
488 Registry. The personnel who are assigned on monitoring the system must be present on the day of the Audit
489 proper.

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492 **E. INTERNAL QUALITY AUDIT (IQA) FINDINGS**
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494 Engr. Biscocho presented to the Management Committee the Internal Quality Audit (IQA) findings. He first
495 expressed the team's appreciation to all the offices for participating in the actual audit. As a background, the
496 IQA Team scheduled an Internal Audit of all the process owners. Then, during the opening meetings via
497 Zoom last October 20, 21, and November 22, 2022, the IQA Team discussed the scope, methodology, and
498 procedure of the Internal Quality Audit. Moreover, the actual audits happened as scheduled last October 25
499 to 28 and November 24, 2022. In the end, the results of the Actual On-site Internal Quality Audit per Process
500 Owners were presented during the Closing Meetings via Zoom held on November 17, 18, and December 5,
501 2022.

502 Furthermore, Engr. Biscocho presented the findings, and the IQA Team audited 31 process owners from
503 various offices of the LRTA. These process owners were found to be generally compliant with the mandatory
504 requirements of the ISO 9001:2015 Standards without non-conformities. But some observations can be seen
505 as opportunities for improvement (OFI.) With the said activity, the offices already have a high readiness for
506 the upcoming third-party audit.

507 Mr. Biscocho enumerated the offices that are fully compliant, namely:

- 508
 - Office of the Administrator
 - 509 • Office of the Deputy Administrator for Operations and Engineering
 - 510 • Office of the Deputy Administrator for Administrative, Finance, and AFCS

- Legal Department
- Medical Services Unit
- Business Development Division
- Corporate Planning and Research Division
- Inspection and General Monitoring Division
- Train Key Performance Indicator Monitoring Division

The offices that IQA Team gave an opportunity for improvement (OFI) were next presented on a table with categorized findings such as Forms/Records/Evidence, Work Instructions/Operating Procedures, Mandatory Requirements, and Quality manual/Mandates.

Reasons for OFI for the first category may be the presence of forms for revision, lack of relevant forms/evidence, forms that were present but the clarity of presentation to the auditors is lacking, forms that lack signatures, and lastly, there is/are document/s that need/s additional monitoring form. For the second category, Work Instruction/Operation Procedures, some offices lack Procedures and Work Instructions (PAWIN) on their operations and PAWIN for improvement. For the third category, Mandatory Requirements for ISO, Registry of Interested Parties, Risk Registry, and Improvement Plans may not have been presented during the audit. The ISO Awareness of staff may be lacking in some offices. However, it was mentioned earlier that there are moves to changing the desktop displays of laptops and computers with Mission and Vision as well as continuous reminders of the Management Representative. Lastly, for the Quality Manual/Mandates, storage proximity of the Quality Manual may be far from the office, and some may need updating on the definitions, mandate, or special orders. Overall, IQA Team quickly presented all the findings per office and informed that all offices agreed and complied with the results.

Mr. Biscocho said that the procedure in the IQA when there is non-compliance (NC), they are required to provide a request for action (RFA) to those offices to rectify, and if they have OFI, the office is reminded to comply. In this case, the IQA team did not issue any RFAs because there were no nonconformities seen during the audit. Instead, they recommended that all offices consider all the findings in preparation for the 3rd party ISO Audit and as part of improving efficiency and productivity.

In the end, he added that Mr. Arzadon's team audited the IQA Team in early December of 2022, and they have OFI to revise the IQA Procedure specifically to have the findings be presented to the Management. Once again, they encourage the offices to recheck the IQA findings as they prepare for the upcoming 3rd party ISO Audit.

Before the agenda regarding the Internal Quality Audit ended, Mr. Nick Ombao asked permission to have a copy of the presentation, and Mr. Kabigting approved the request. He also appealed to all offices and process owners to cascade to their team the IQA findings to give awareness of the dos and don'ts. He reiterated to refrain from presenting unsigned documents because it will result in NC.

Mr. Kabigting added that he also collected the complaints from PRD. He will issue an RFA to the Engineering Department if there are complaints about the facilities. If there are complaints about the attitude of our personnel, he will give RFA to HRMD. Mr. Kabigting can make the said action and let the offices take appropriate actions to correct it. He also reminded that other offices might issue an RFA on their own as well as to others and their own office.

550
551 **F. CUSTOMER FEEDBACK**
552

553 Ms. Evelyn Janeo focused on the passenger complaints since the tabulation and interpretation of the
554 customer satisfaction survey report are still ongoing. They were able to conduct the survey last December
555 30 to 31, 2022, in both Lines 1 and 2, with at least 800 respondents participating, and 15 concessionaires
556 were interviewed over the phone. In the said survey, there are five dimensions identified about train reliability,
557 station facilities and equipment, ticketing systems, safety and security, and information and complaints
558 handling. They expect to receive the survey report by next month or the first week of March.
559

560 The pie chart presented shows a total of 331 complaints received last CY 2022. There are 113 Station-
561 Related complaints identified, which represent 34% of the total complaints.
562

563 **Station-related complaints:**

- 564 • Defective escalators/elevators
- 565 • Nonfunctional ceiling fans
- 566 • Dirty tiles in Katipunan
- 567 • Faded platform markings
- 568 • Unavailability of comfort rooms
- 569 • Insufficient lightings
- 570 • Blinking Lights
- 571 • Defective flush of CRs
- 572 • Defective buzzers in the elevator
573

574 In the frontline-related complaints, there are 88 which represents the 27%.

575 **Frontline-related complaints:**

- 576 • Discourtesy of guards and station personnel
- 577 • Lack of assistance
578

579
580 In terms of safety and security-related, they have a total of 28 complaints which represents 9%.

581 **Safety and Security-related complaints:**

- 582 • Inconsistent implementation of special boarding area
- 583 • Issue about implementation of Covid protocols
- 584 • Long queuing
- 585 • Inconsistent implementation of inspection policy
586

587 In the train-related complaints, there are 76 complaints which represent the 23%.

588 **Train-related complaints:**

- 589 • Train breakdown / Train delays
- 590 • Sudden/abrupt breaking of train
- 591 • Poor air-conditioning system of trains

- Water leak inside the train

For the ticket-related complaints, there are 26 complaints which represent the 7%.

Ticket-related complaints:

- No refund policy
- Defective TVM
- Failed TVM transaction
- The policy to claim Ticket Incident Report (TIR) takes long

Overall, there are 331 complaints, but Ms. Janeo mentioned they also received some commendations. There are 12 commendations and 55 suggestions, which resulted from 397 processed passenger feedbacks.

The next presented is the **Comparative Data on Passenger Complaints for CY 2021 and 2022**. Ms. Janeo mentioned that they received more complaints in 2021 than in 2022, which resulted in a significant decrease in complaints for a total of 142% difference. Most of the complaints in 2022 were station-related, but it was minimized due to the restoration of the escalators/elevators and comfort rooms which was done during the 2nd quarter of 2022. Also, the operations and engineering strategy implemented helped, where they have a high-speed onboard technician for immediate intervention to train breakdowns

The third topic was the **Comparative Data on Passenger Complaints vs. Ridership for CY 2021 and 2022**. In the data presented, there was 11, 842, 954 ridership in 2021, while in 2022, there was 31,629,242 ridership. For complaints, there were 800 complaints in 2021, while in 2022, there were a total of 331 complaints. In that sense, there is one complaint for every 14,813 pax in 2021 compared to 2022, where there is one complaint for every 95,554 pax which means the performance of LRTA is better in 2022 than in 2021.

Lastly, the **Monthly trend of Passenger Complaints** was presented, showing that the highest peak of concerns was during April 2022, mainly related to station, equipment, and facilities.

Top 5 Common Complaints:

NATURE OF COMPLAINT	ACTION TAKEN BY PRD	ACTION TAKEN BY CONCERNED OFFICES/MANAGEMENT	ISSUES AND CONCERNS
1. Defective elevators/escalators	<ul style="list-style-type: none"> • Released press/photo releases on repair of the conveyance system • Provided regular updates on LRTA Facebook and Twitter 	<ul style="list-style-type: none"> • Engineering fast-tracked the repair / restoration of defective escalators / elevators • SOD provided daily updates on functional/non-functional 	

	Accounts on number of functional/non-functional elevators/escalators	elevators / escalators at the revenue line	
2. Train Poor Air-conditioning System	<ul style="list-style-type: none"> • Referred to Engineering for information and appropriate action • Assured the passenger that LRTA will immediately investigate the affected trainset and repair/replace defective parts of the ACU, if necessary. 	<ul style="list-style-type: none"> • Conducted immediate repairs / replacement of defective parts of the train ACUs 	
3. Inconsistent Implementation of Special Boarding Area	<ul style="list-style-type: none"> • Referred to SSD for information and appropriate action • Posted advisory / reminders on the use of Special Boarding Area (SBA) 		<p>Recurring complaints</p> <p>Inconsistent implementation of policy by the Train Marshalls</p> <p>Absence of clear policy on Special Boarding Area</p>
4. Non-functional ceiling fans	<ul style="list-style-type: none"> • Coordinated with SOF for verification and referred to Engineering for information and appropriate action • Assured passengers that Management will immediately act on their concerns. 	<ul style="list-style-type: none"> • Ongoing rectification by the contractor since the project is still under warranty 	
5. Train breakdown / train delays	<ul style="list-style-type: none"> • Posted announcements / advisory on the temporary suspension of operations • Provided regular updates and announcement on the 	<ul style="list-style-type: none"> • Deployed on-board High-Speed Technician for immediate intervention during train breakdown 	

	resumption of operations <ul style="list-style-type: none"> • Immediately replied to passenger inquiries/complaints 		
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According to Ms. Janeo, a clear policy for Special Boarding Areas needs to be implemented. She communicated the concern to SSD, but they are only an implementer, and the SOD should be the ones to draft the policy. Then Ms. Janeo communicated it to SOD, and they agreed to set a meeting to draft the policy for SBA. The remaining complaints are minor such as the unavailability of beep cards, but FROG was able to control the supply of beep cards properly.

In the last part of the Customer Feedback Agenda, Ms. Janeo presented numerous frontline service-related complaints, such as the discourtesy of some SOD personnel or security guards. She also mentioned that frontline personnel should need more proper assistance, negligence, and adequate training. For TOD, concerns were about abrupt breaking and lack of public announcements during train stops. PRD explained to passengers that the abrupt breaking or train stops were for safety purposes. Overall, the frontline service-related concerns are mostly closed except for 2 SOD complaints that are for clarificatory meeting that depends on the availability of complainants. Then for SSD, there are 47 closed cases and five pending clarificatory meetings. Lastly, for TOD and other offices, all were closed.

Mr. Kabigting commended the presentation as well as the results presented due to minimized complaints. He also called the attention of Mr. Chua to take action on complaints regarding discourtesy.

Ms. Janeo concluded with a recommendation to have continuous customer service training not only for station personnel, but security personnel as well.

G. PERFORMANCE OF THE QMS TEAM

As the QMS Core Team Head, Mr. Kabigting, reported earlier that they failed as they were not able to attain the commitment for ISO Certification by December 2022. They admitted that there was an error in their Terms of Reference that resulted in the delay of the said certification.

H. REVIEW OF RESOURCES

In the beginning of this agenda, Mr. Kabigting appealed to use electronic communications to limit the usage of paper that affects the agency's procurement.

For the Human Resources Department, Ms. Divina Guison presented about the **Quality Objective of the Human Resource Management Division – Recruitment Section** as of December 31, 2022.

- Quality Objective Statements – To consider ways and ensure timely processing of vacant plantilla position/s for hiring/selection of qualified personnel
- Quality Target – 100% completion of the recruitment process within the CSC prescribed nine (9) month period from posting to appointment and deployment of qualified applicant/s.
- Actual Accomplishments
 - They processed the hiring and deployment of applicants/candidates for Permanent positions within 3-5 months, while Contractual positions and Contract of Service personnel within 1-3 months from the time of the approval of the Administrator.

For the permanent position, they have 31 positions processed by HRMD/HRMPSB Assessment, including the 6 Co-terminous positions that are not subjected to HRMPSB Assessment. There are 15 deployed permanent employees from July to December 2022; out of the 15, there are eight males and seven females. Also, 16 positions still need to be deliberated or assessed by HRMPSB.

Some limitations cause HRMD to be unable to process the deployment of other regular positions. Different positions posted were not processed immediately after the National Elections since they waited for the appointment of the new Administrator that happened last August 2022. Another reason is the unavailability HRMPSB committee due to mismatched schedules.

The Contractual positions include the PMO Line 1 Extension Project, PMO Line 2 East Extension Project, and PMO Line 2 West Extension Project. HRMD processes 30 Contractual posts, 22 deployed between July to December 2022, where 16 were male and six were female. Eight positions are pending due to requirements completion, and some positions need to be checked by the appointments of end-user to schedule an interview.

There are a total of 511 deployed Contract of Service positions from July to December 2022; there are 326 MTT provisionally engaged starting July 1, 2022, to provide maintenance services for the Line 1 systems, 168 Janitorial Utility Workers due to the expiration of the contract to Power Clean, and 29 Janitors to offer services for the additional lines to Antipolo. Overall, they could immediately comply with the requirements of GSD and Engineering, considering the limited timeframe provided to them.

Training Section

- Quality Objectives – To develop a high performing organization by developing the competencies of its manpower to meet the current and future organizational needs and requirements of the LRTA.
 - Quality Target
 - Establish a Baseline of the Competency Level of all employees of LRTA by 4th quarter of CY 2022
 - One of the requirements of GCG, to establish a baseline of the competency of LRTA employees
 - Out of 801 employees, 160 identified employees were found to have a competency gap. For 2023, their target is to address the gaps mentioned.
- 1) Cross-Functional/Skilling for Core Services (Operations – Train Operations, Traffic Control, Station personnel)

- a. It is a project of the Operations Department, but they helped them to facilitate and help in the cross-training to comply with the requirements of GCG.

2) ISO Certification 45001:2018 Occupational Health and Safety (OSH)

- a. They prepared documents and helped process the attendance of the SSD employees to ISO 45001:2018 OSH Certification-related training

3) For the Core Service/Frontline Service Employees, there are a total of 8 required trainings conducted, but they facilitated nine training which are 2 for SOD, 3 for TOD, 2 for TCD, and 2 for TMSCD. A total of 378 participants attended the training.

4) For Support Services Employees, there are 26 required training to be conducted, and they were able to facilitate a total of 29 training.

As for the Engineering Department, Mr. Abrazado reported the following:

- **For the inventory build-up** as of December 31, 2022, there is 52.12% obligated procurement of spare parts, 18.44% for the procurement stage, and 29.44% returned for mandatory review.
- **For maintenance**, there is 88% budget utilization as far as personnel services are concerned, materials such as consumables, 48% of utilization, and other expenses are about 20%.

I. CORE BUSINESS PROCESS PERFORMANCE

For the Engineering Department, Engr. Abrazado reported that as of December 31, 2023, there are nine available trainsets, station improvements are about 95%, restoration of RSS 4, 5, and 6 is 39%, and rehabilitation of CRs in the station is 100%. The conveyor is 100%, but there are identified problems again upon restoration.

As for the Train Operations Division, Mr. Arzadon reported that they have yet to note lost trips because of a lack of workforce. There are no cases as regards safety violations, Risk Registry is all maintained and updated, and the Improvements Plans have been updated following the findings of IQA. In addition, on the train reliability in terms of scheduled trips of trains, Mr. Raymond Vasquez mentioned that they meet the target, which results in 102.41% compliance on the scheduled number of trips based on actual due to an additional one train provided by Engineering. They can collect another 2 to 3 loops during peak hours, which results in extra trips over some of the lost trips when there is a breakdown.

For the Station Operations Division, Mr. Wilfredo Bongcaron reported that they measure their performance through customer satisfaction by the number of complaints. They perform within the level required performance regarding station operations.

As for the Traffic Control Division, Mr. Merlo Gallardo mentioned that they are still preparing their train timetable for seven trains on Sundays since the load factor is low on that day, so there are additional days for train maintenance. All reports are done on time as well.

J. Presentation of the Different Business Process Owner

For the Finance Department, Ms. Liscano reported the action taken on some issues in Finance.

Issues	Action Taken	Timeline	Responsible Office
Proposed Amendment to Memorandum of Agreement (MOA) for Deposit Pick-Up and Cash Delivery with LBO	Issues resolved; Memorandum of Agreement (MOA) executed, amended and signed dated 11 April 2022	Completed	Finance Department / Treasury Division & Fare Revenue Operations Group
To establish policies of standby / revolving fund for medical services / emergency needs	From the replenishable fund of P700,000.00 disbursed the amount of P1, 682, 919.28 charged to Financial Assistance Fund to Passenger	May 18, 2019 - December 02, 2020	Finance Department / Treasury Division / Medical Unit
	Liquidated the cash advance on December 02, 2020	Completed	
Adequacy of Resources:			
To implement long term solution in capital investment project	Provided assistance, by requesting NG Subsidy thru inclusion of Capital Expenditure Projects (various rehabilitation projects) in the BY 2023 Budget Estimates. * Submitted Board Approved CY 2023 Budget Estimates to DBM on May 31, 2022,	January to December 31, 2022 Completed January to December 2023	Planning Department / Project Proponent / Finance Department All Depts. / Divisions / Units / Management / Board

	<ul style="list-style-type: none"> Increased the awareness of the project proponents' readiness on the implementation of the project. <p>Conduct Budget Exercises for the preparation, consolidation and approval of BY 2024 Budget Proposals</p>		
	Action Taken:		
	P10.023B from the original proposal of P45.425B was duly approved by the Board on April 08, 2022 and submitted to DBM on April 21, 2022.		
	DBM approved COB CY 2022 P10.018B on June 20, 2022		
	DBM authorized LRTA to use unutilized subsidy from FYs 2018-2021 amounting to P1.847B to cover the funding requirements of the activities or projects covered by the programs or sub-programs in CY 2022 GAA on May 04, 2022		
	Budget Estimates CY 2023 amounting to P52.539B duly approved by the LRTA Board on May 27, 2022 and submitted to DBM on May 31, 2022		

	RDC – NCR and GCG endorsed Proposed NG Subsidy for FY 2023 on March 2022 and June 20, 2022, respectively		
	Received DBM letter dated July 25, 2022 informing Management on the recommended FY 2023 budget of P1.053B		
	Consulting Services for the LRT Line 2 System Capacity Expansion allocated in the amount of P162.0M under GAA		
	On-going revision of COB CY 2023 to reprioritize PAPs due to limited resources of the Authority. Board approved revised COB 2023 for submission to DBM for its approval on or before March 31, 2023.		

743

744 Ms. Liscano also added that the Budget Utilization Rate is only 54% of the P10.018B approved budget by
745 the Department of Budget and Management (DBM) for the year. The most significant contributor to the low
746 utilization is the capital outlay, specifically the rehabilitation projects, where the budget utilization rate for the
747 capital outlay is only 12%. The actual utilization as of December 31, 2022, is only P5.42B, leaving a balance
748 of P4.60B.

749 The collection efficiency rate is 101% more than the target of P106.54M, which is also their commitment to
750 GCG in terms of their Performance Scorecard.

751 **As for the Planning Department,** Ms. Mariano from CPRD reported the status of actions from Previous
752 Management Review.

753 1) Consulting Services for LRTA Restructuring

754 a. Actions required – The Change Management Team will schedule a meeting and request direction
755 from ManCom concerning the requirement relative to the Consulting Services for the LRTA
756 Restructuring.

b. As of January 20, 2023, the TOR and the relevant requirements for the Consulting Services for the LRT Restructuring are now being handled by the reconstituted Change Management Team headed by Mr. Kabigting. They also announced that the Planning-CPRD is no longer the TWG.

- 2) On the study of the number of trainsets to procure and Consulting Services/Acquisition of Trainsets:
 - a. The action taken is that LRTA management decided to secure Consulting Services to prepare the Feasibility Study to acquire trainsets and other midlife rehabilitation requirements under the LRT Line 2 System Capacity Expansion Project.
 - b. Status is pending award that is subject for approval of the Board.
- 3) Preparation of the strategic business plan
 - a. On December 28, 2022, the Business Development Division (BDD) submitted to the Planning-CPRD their Strategic Business Development Plan subject for review/comments by the CPRD in relation to the updating of the Strategic Plan of LRTA 2023-2028.
 - b. Engr. Reyes continued the presentation regarding the Report of the LRTA's Performance Scorecard as of the 3rd Quarter of 2022. Nevertheless, they will update the data once they collate the necessary office documents.
 - c. Line 2 West Extension Project and ISO 9001:2015 Certification will remain unmet even if the 4th Quarter is considered. Except for the ISO 45001:2018, which will be met once the 4th Quarter is included.
 - d. Engr. Reyes presented the Revised SWOT Report for approval of the Management Committee. The Revised SWOT is a result from the Strategic Planning Exercise held last December 20-21, 2022. They worked on the SWOT, as deliberated upon by ManCom during the Planning Exercise. The Planning Team fine-tuned some items.
 - e. Lastly, Engr. Reyes reminded the offices of all the documents needed to submit by January 9, 13, and 20, 2023, such as the QOPM, OPCR, and Accomplished Forms A (Initiative Profile) and B (Measure and Targets.)

Mr. Kabigting thanked the process owners for their reports and assured Management that the concerned offices conduct regular calibration of equipment used during maintenance and in the conduct of their functions. These units/offices are reminded to submit copies of their reports on this matter to the Management Representative, for proper monitoring. As the current Officer-in-Charge of the Administrative Department and the concurrent Division Manager of the KMITD, he informed that the Procurement Division, Safety and Security Division, and KMITD also regularly evaluate the performance of suppliers/contractors/service providers.

K. PROCESS IMPROVEMENT ACTION

As for the Process Improvement Action, Mr. Kabigting discussed the following:

- He would like to propose to Engineering Department that every time there is maintenance, whether, in the workshop or revenue, there should be a Supervising Engineer present to ensure the quality of work of MTT or the contractors.
- He also reminded Procurement Division, KMITD, Engineering Department, SSD, and GSD to document the monitoring of their contractors and suppliers to review their performances.
- For measuring devices, Mr. Kabigting asked the offices to monitor their calibration results (e.g., Engineering Department, Medical Services, and the like).
- As Mr. Kabigting discussed the process of improvement action agenda, he mentioned the processing of certification for ISO 45001:2018 Occupational Health and Safety, and it shall be integrated with ISO 9001:2015.

For the Business Development Division, Ms. Obias presented the accomplishments of the Business Development Division for 2022 and Plans and Programs for 2023. The BDD Non-rail activities are Commercial Lease Advertising, Land, Interconnection Access, and Right of Way. They classified contracts into long-term for the period of one (1) year and the short term below one year.

- The target for a commercial lease is P4.52 million, and the actual is P5.58 million; the increase is due to lifting discounts and waivers and opening the Line 2 East Extension Stations.
- For Advertising, the target is P20.07 million, and the actual is P18.97 million; the decrease is due to the expiration and non-renewal of three (3) contracts.
- For Land, the target is P48.87 million, and the actual is P50.47 million; the increase is due to the application of escalation fees.
- For Interconnection Access, the target is P1.36 million, and the actual is P1.47 million; the increase is due to the application of fee escalation.
- Lastly, for the Right of Way, the target is P31.74 million, and the actual is P29.60 million; the decrease is due to the uneven escalation rate on fees. In summary, they fell short of the overall target since it should be P106.56 million, but they only got P106.09 million.

However, they have processed a total of 24 short-term contracts.

- For commercial, they have 17 contracts which include filing, promotional booths, and flyering, amounting to P960, 000.00+, and for Advertising, it amounted to P14.14 million.

Overall, the actual non-rail revenue income of LRTA for 2022 is P121.19 million, which is 13.73% more than the target income of P106.56 million pesos. The increase in the non-rail revenue can be attributed to the immediate processing of the proposal received, aggressiveness in sending notices to delinquent lessees, and approved new rates by the former Administrator Jeremy S. Regino.

Based on the market research conducted by the BDD team, indoor ads from 372.69/sq. ft./year is now P5,000/sq. ft./year, Outdoor Ads is P603.07/sq. ft./year to P1,500/sq. ft./year, Train Ads is P3,843,959.53/Ext. Wrap/year to P4,100,00/Ext. Wrap/year, and for the LED TV from P3,859.47/TV/month to P4,975/TV/month.

Line 2 East Extension Stations (Marikina and Antipolo) commercial spaces/areas not fully utilized.

Issues and Concerns

- The shift from concession agreement to direct leasing of commercial stalls resulted in the delay in the utilization of commercial spaces/areas from Recto to Santolan Stations due to the absence of electrical/power lines for stalls.
- The ongoing pandemic prompted some contractors to be hesitant to renew their contracts, and others were pre-terminated due to the inability to pay rental fees.
- The delinquent lessee in the property beside the Santolan Station has peacefully vacated the area after several negotiations.

Plans and Programs for 2023

- Procurement of the materials needed for installing electrical/power lines for commercial stalls from Recto to Santolan Stations.
- Conduct of quarterly review of rates to increase non-rail revenues.
- Completion of the Strategic Business Development Plan.
- Conduct extensive marketing strategies and efforts to attract additional clients.

In the latter part of the Management Review Meeting, Ms. Liscano shared the comment of Ms. Macalino, where they suggested that BDD report the contract amount only; this will help to avoid inconsistencies in the values the Finance is also reporting on the same matter. The reason behind it was the repetitive comments of NEDA. Ms. Obias then acknowledged it.

As for the Internal Audit Department, Ms. Tapia presented the Internal Audit Report for CY 2022.

1. Results of Internal Quality Audit (1st Quarter)

- a. There are two (2) audit areas in the 1st Quarter of CY 2022, mainly due to the reconstitution of the IQA Core Team to comply with the provision under the Revised Philippine Government Internal Audit Manual (RPGIAM).
- b. The conduct of Internal Quality Audit (IQA) as part of the ongoing implementation of Quality Management System (QMS) is considered as non-internal audit function that the Internal Audit should not undertake.
- c. On April 4, 2022, management issued a Special Order (SO) No. 71 reconstituting LRTAs Quality Management System Core Team.

2. Audit Results of the Management Operations and Compliance Audit

- a. Handling of Lost and Found Items (Cash and other valuable items) under IAOM No. 2022.MM.FMD.008 dated April 28, 2022
 - i. Auditee: Station Operations Division, General Services Division, Treasury Division, and Safety and Security Division
 - ii. Audit Result: 1 Conformity, 1 OFI, and no Non Compliance (NC)
 - iii. Most of the OFIs were already complied

- 869
- 870 b. Rail Revenue Collection System under IAOM No. 2022.MM.FMD.012 dated June 9, 2022
- 871 i. Auditee: Station Operations Division and Fare Revenue Operations Group
- 872 ii. Audit Result: 4 Conformity, 6 OFIs, and 2 NCs
- 873 iii. Some of the OFIs and NCs were already complied
- 874
- 875 c. Compliance Audit on the Manpower Requirement under the Line 2 Maintenance Contract under
- 876 IAOM No. 2022.MM.OCD.2014 dated August 1, 2022
- 877 i. Auditee: Line 1 and 2 Engineering Department
- 878 ii. Audit Result: 1 NC
- 879 iii. As Internal Audit reviewed and examined the approved Daily Time Record (DTR) of the
- 880 existing LRT Line 2 Maintenance Contractor (AMSCO-JV) for the period June 1-16, 2022,
- 881 they found out that the actual deployment was only ranging from 137 to 205 personnel as
- 882 compared to the required minimum workforce of 252 essential personnel under the *Article*
- 883 *8.8 of the TOR – MAINTENANCE MANPOWER* (based on Summary of Manpower
- 884 Deployment for the period June 1 to 16, 2022)
- 885 iv. There were also observations noted based on the submitted documents:
- 886 1. On DTR, it doesn't reflect those personnel who are absent, on rest day, or with filed
- 887 leave;
- 888 2. Some personnel rendered 16 to 24 hours which might result to inefficiency of
- 889 employees' pace of work;
- 890 3. Some employees have no signature in the DTR;
- 891 4. Entries in the DTR have the same penmanship; and
- 892 5. No record of Log out.
- 893
- 894 v. In that sense, *under Article 9.d of the TOR – Penalties for failure to meet Performance Criteria,*
- 895 *"Failure to meet the minimum manpower requirement in accordance to Article 8.8 – the*
- 896 *Contractor's compensation shall be deducted with the corresponding unit rates of every staff*
- 897 *that the Contractor failed to provide."* This was already communicated to the Finance
- 898 Department, Engineering Department, and Legal Department for appropriate action.
- 899
- 900 d. Conduct of Pre-Procurement Conference PR No. KMT-2203-016 Replacement Firewall
- 901 Hardware for Line 1 and 2 Licenses for two (2) years under IAOM No. 2022.MM.OCD.015 dated
- 902 August 11, 2022
- 903 i. Auditee: Procurement Division
- 904 ii. Audit Result: 1 OFI and 1 NC
- 905 iii. The findings were now complied
- 906
- 907 e. Warehouse Management System under IAOM No. 2022.MM.FMD.021 dated September 21,
- 908 2022

- i. Auditee: General Services Division
 - ii. Audit Result: 11 Conformity, 13 OFIs, and no NC
 - iii. All findings were communicated and addressed by the auditee
 - f. Station Management System IAOM No. 2022.MM.FMS.024 dated September 30, 2022
 - i. Auditee: Station Operations Division
 - ii. Audit Result: 4 Conformity and 5 OFIs
 - iii. All are complied and addressed by the auditee
 - g. Review/Comment on the Declared Obsolete Computers and Printers under IAOM
 - i. Audit Result: 2 OFIs and 1 NC
 - h. Procurement Management System under IAOM No. 2022.MM.FMD.029 dated December 19, 2022
 - i. Audit Result: 7 Conformity, 12 OFIs, and no NC
 - ii. All findings were complied
 - i. Rail Revenue Collection System under IAOM No. 2022.MM.FMD.030 dated December 28, 2022
- 3. Improvements/Developments from Implemented Action Plans, Correction/Corrective Action**
- a. The reinstatement of the deposit of daily ticket sales on the next banking day have contributed to the following:
 - i. Addressed the additional safety and security risks posed by the increase of the cash room personnel's accountability due to the accumulation of the collections retained at the cash rooms;
 - ii. Decrease in the risk of loss and abuse of the asset due to the increment of the valuable custody;
 - iii. Facilitated the process of collection and deposit thru daily banking which halted the accumulated of cash sales that were previously causing the extended hours of counting during the pick-up deposit which also poses a threat to security and safety of the cash asset and for both the LRTA and AGDB; and
 - iv. Compliance to statutory regulation (COA Cash Examination Manual) and entity procedure (Deposit of Daily Sales to Authorized Bank Procedure)
 - b. The establishment of Policy on Information and Communication Technology (ICT). This ICT Policy ensures to address LRTA's development of information infrastructure, ICT procurement, information transfer, proper information planning development, network infrastructure and connectivity, efficiency in the provision of telecommunication network and other ICT related concerns.

- c. Inclusion of separate rooms for Fare Revenue Operations Group in the on-going station improvement project. Continual coordination is being done by FROG-TMSCD with Engineering Department for the final location and construction of their offices in the Revenue Line.
- d. Submission of Work and Financial Plan for CY 2022-2024 by KMIT to the Planning Department and BFPD and include Cloud Mitigation and Hosting Services as new project name.
- e. There is a distinction between the titles of these two (2) procedures: Disposition of Unserviceable Assets/ Properties and Disposal of Unserviceable Assets/Properties.
- f. Revisited the CY 2020 Improvement Plan to reflect the recent developments of the Materials Recovery Facility (MRF) project.
- g. Formulated a monitoring system for targets indicated in the Improvement Plan: Established Asset Management Information System to show the status of the objective/target.
- h. Documented the auditee's communications particularly in monitoring/following-up the status of PAWIMs (Policy Procedures and Work Instructions) for approval.
- i. Harmonized subsequent performance reports particularly accomplishments reflected in the OPCR which should correspondingly be recorded in the IPCR of the personnel responsible.
- j. Evaluated the Warehouse Management System showing the Stock Movement Monitoring Procedure can also be facilitated by the forms/reports submitted by the interacting office, GSD such as the Monthly Stock Status Report and Stock status Movement Monitoring in lieu of the latter's WI as recommended.
- k. Creation by the AMD of Pre and Post Repair Inspection Report Form and updated/revised on Application of Gate Entry and Exit Pass Procedure augmenting controls to safeguard the entity's assets.
- l. Instigated a Quarterly Monitoring on customer Satisfaction of the outputs/services that the AMD delivers relative to its mandated functions, which enhances a customer-focused quality management system which is a primary principle of the QMS standard.
- m. Revisited the following functions of the Legal Department: 1) filing of complaints and petitions including expropriation and issuing of demand letters, and 2) supervision of the International Relations and Legislative Liaison Office (IRLLO) to consider internal and external issues that have an impact in the realization of its objectives.
- n. Established a monitoring and evaluation of the contractors' compliance with the provisions of the contract.
- o. Established a monitoring system to document the progress/ status of planned objectives: 1) hiring of additional manpower and 2) establishment of a storage facility.
- p. Revisited the functional objectives of the Asset Management Division; a) issuance of property accountability, and b) monitoring of properties in the ingress/egress of LRTA premises, for risk analysis if there are potential/inherent risks and or opportunities relevant to their achievement.
- q. Revisited the AMDs CY 2020 Risk Registry particularly the Potential Impact for the Threat/Risk: Possible encroachment of neighboring lots at LRTA property which connotes an opportunity effect in contrast with all the other threats indicating disadvantageous/ unfavorable impact.

- r. Registered/classified in the quality records of the Request for Quotation (RFQ) form whether it is a common document or exclusive according to its use or purpose.

4. Audit Follow-up in Monitoring the implementation of Agreed Action Plans

- a. From the 22 agreed Action Plans identified, 15 corrective actions were implemented and seven (7) were not yet implemented as of December 2022.
- b. One (1) Action Plan was partially implemented which was the revision of the Guidelines on the Management of LRTA Properties for Property Plant and Equipment (PPE) and Other Semi-expandable Properties (Inventories). Last August 3, 2022, Revision 1 of the Procedure of the said Guidelines has been approved.
- c. They also checked at the Logical Doc, section 5.4.1.2, Distribution Equity of the "Procedure on Recording, Issuance and Custodianship of LRTA Property Plant and Equipment (PPE) and Semi-expandable items" with doc code no. 2021.PR.AMD.022, has the following additional sub sections in compliance with the concurred agreed action plan as follows:
 - i. 5.4.1.2.1 any modifications on the Distribution List shall be subject to the approval of the Administrator
 - ii. 5.4.1.2.2 No written approval by the Administrator, No distribution policy.

5. Other Audit Related Accomplishment/Activities

- a. Compliance in the Filing and Submission of Statement of Assets, Liabilities and Net Worth (SALN)
 - i. Internal Audit has reviewed/checked the completeness and correctness of SALNs for CY 2021 submitted by 331 permanent/regular employees, 464 contractual; 22 newly-hired, nine (9) resigned and retired employees under Republic Act No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees.)

L. QMS IMPROVEMENT ACTION

Mr. Kabigting reported that QMS Team had already revised the QMS Special Order. He also mentioned that the **Vision, Mission, and Quality Statement were posted right after the Management Review last August 2022.** KMIT Division staff posted it on the personnel laptops, computers, and all strategic areas in the LRTA. Furthermore, it was updated last January 18, 2023, due to the new Vision Statement of the agency.

They **conduct coordination meetings** or linkages every 10 in the morning on Tuesday and Thursday to cascade and coordinate different policies and procedures among the offices and review the existing policies and procedures for improvement.

In the last part, Mr. Kabigting also informed that the QMS Team has commenced creating a policy on policy formulation for the LRTA to enhance areas of policy making.

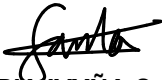
Ms. Domingo, as a member of the ManCom, and based on the Management Reviews conducted as well as the improvements being made to improve the quality of service to our customers and other stakeholders, manifested her observation that the Quality Management System, with the improvements continually being effected, continues to be suitable, relevant, adequate, and effective for its Mandate and in the attainment of its goals and objectives. The other ManCom members fully agreed on this manifestation.

The Management Representative thanked the ManCom members and everyone for their full support and cooperation.

III. ADJOURNMENT

There being no matter to be tackled, the meeting was adjourned at 4:17 in the afternoon.

Prepared by:



MARIA IVYÑA S. SANTOS

Secretariat Chairperson,
QMS Secretariat

Reviewed and Approved by:

DOMINIC F. KABIGTING

Officer in Charge, Administrative Department,
Concurrent Division Manager A, KMIT Division,
Management Representative, QMS Core Team,
and Head, Mancom Secretariat