

BASES CONVERSION & DEVELOPMENT AUTHORITY
RECEIVED
AUG 30 2016
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Mr. Arnel Paciano Casanova, President & CEO
Mr. Patrick Roehl Francisco, Dept Mgr III, ODMD / OIC QMR
Bases Conversion and Development Authority (BCDA)
BCDA Corporate Center, 2/F, Bonifacio Technology Center, 31st
Street corner 2nd Avenue, Bonifacio Global City, Taguig City,
Philippines

2016 August 26

Subject: 2nd Follow-up Audit


Dear Mr. Casanova/ Mr. Francisco,

Greetings!

Enclosed is our revised report on the ISO 9001:2008 2nd Follow-up
Audit conducted last 2016 May 10 for your company.

Thank you.

Best regards,


Geraldine Mas
TÜV Rheinland Philippines Inc.
Technical Support
Systems Department

TÜV Rheinland Philippines, Inc.

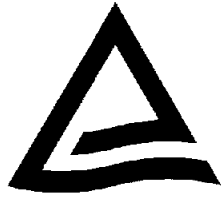
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Precisely Right.

CN 01 100 1432569

**Audit Report as per
TRCert - ISO 9001-2008**

for

**Bases Conversion and Development
Authority (BCDA)**

**BCDA Corporate Center, 2/F, Bonifacio Technology
Center, 31st Street corner 2nd Avenue, Bonifacio Global
City, Taguig City, Philippines**

Client	Standard(s)	Certification Number(s)	Audit Type
Bases Conversion and Development Authority (BCDA)	ISO 9001:2008	01 100 1432569	2 nd Follow up Audit

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Audit Leader : Mary Grace Balobalo

Audit Team : Ramoncito Puyat, Kharen Tan, Vanessa Manalang- Technical Expert

Management System Representative : Arnel Paciano Casanova, President & CEO
Patrick Roehl Francisco, Dept Mgr III, ODMD / OIC QMR

Audit Date : 10 May 2016

1 Audit result

Management system effectiveness was verified on site by means of random sampling by an appropriately selected audit team. This applies in particular to the compliance of workflows with standard requirements and the descriptions in management system documentation. The special features of the organization's business activities, the applicable statutory and regulatory requirements and the requirements set forth in other generally applicable documents were also taken into account. This was done by means of a sampling approach, by conducting interviews and reviewing the appropriate documentation. Audit findings and recommendations regarding opportunities for improvement have been set forth in Sections 4 of this report.

<input type="checkbox"/>	The last audit revealed nonconformities which have been demonstrably corrected. The corrections and corrective actions taken in this respect have been verified.				
<input type="checkbox"/>	A stage 1 audit was performed and the organization found ready for certification. Identified weaknesses, if any, have been eliminated and the corrective action associated therewith verified.				
<input checked="" type="checkbox"/>	The current audit revealed the following nonconformities: <table style="margin-left: 20px;"> <tr> <td>Standard(s):</td> <td>No. of nonconformity</td> </tr> <tr> <td>ISO 9001:2008</td> <td>Zero (0)</td> </tr> </table>	Standard(s):	No. of nonconformity	ISO 9001:2008	Zero (0)
Standard(s):	No. of nonconformity				
ISO 9001:2008	Zero (0)				
<input type="checkbox"/>	The major nonconformities (No. x) with individual standard elements require a re-audit to verify the effectiveness of the corrections and corrective actions (probable date:..ddmmyyyy)				
<input checked="" type="checkbox"/>	The organization has established and maintains an effective system to ensure compliance with its policy and objectives. The audit team confirms in line with the audit targets that the organization's management system complies with, adequately maintains and implements the requirements of the standard(s).				

The audit team therefore recommends (provided the effectiveness of corrections and/or corrective actions addressing the identified nonconformities has been verified):

<input checked="" type="checkbox"/>	Award of the new certificates (change of scope).
<input type="checkbox"/>	Maintenance of the existing certification.
<input checked="" type="checkbox"/>	Inclusion of the changes (see Section 3) in the scope of application of existing certifications
<input type="checkbox"/>	Maintenance or issue of the certificates only after successful completion of a re-audit.

2 Scope

2.1 Description of the organization

Client	Standard(s)	Certification Number(s)	Audit Type
Bases Conversion and Development Authority (BCDA)	ISO 9001:2008	01 100 1432569	2 nd Follow up Audit

The Bases Conversion and Development Authority (BCDA) is a prime mover of national development. A government instrumentality vested with corporate powers under Republic Act (RA) 7227 (Bases Conversion and Development Act of 1992) signed into law by former President Corazon Aquino last March 13, 1992. The BCDA Charter was amended by RA 7917 in 1995 and further amended by RA 9400 in 2007.

BCDA engages in public-private partnership to push forward vital public infrastructure such as tollways, airports, seaports and also major real estate development.

The thrust of BCDA in expanding economic opportunities for Filipinos is echoed with the BCDA Group, composed of the BCDA Management and Holdings, Inc. The Clark Development Corporation, The Clark International Airport Corporation, the Poro Point Management Corporation, the John Hay Management Corporation, The Bataan Technology Park in., and the North Luzon Railways Corporation.

Since its creation in 1992 until March 2015, the BCDA has generated Php 65.348 billion from the disposition of former Metro Manila camps. Of the said amount, Php 29.162 billion is for the account of the Armed Forces of the Philippines.

BCDA create sustainable urban communities to uplift the lives of Filipinos.

2.2 Scope of certification

Scope of certification: (per standard):	Provision of Conversion and Development Services, Real Estate Management and Engineering for Land and Assets under the Jurisdiction and Control of the Bases Conversion and Development Authority (BCDA)
ISO 9001 standard requirements to be excluded from the scope:	7.6 – Control of Monitoring & Measurement Equipment
Reasons for exclusions:	MMEs are not in use as this is an office environment.

The company is located in a single site and operates in day shift only.

The following sites and their scopes are included in the scope of certification:

Site No. (CN ext.)	Sites included in cert. Name/address of site	No. of emp.	Scope and processes	Standard(s)	Audit ed
01	Central office: Bases Conversion and Development Authority (BCDA) BCDA Corporate Center, 2/F, Bonifacio Technology Center, 31st Street corner 2nd Avenue, Bonifacio Global City, Taguig City, Philippines	147 (at the time of audit)	Provision of Conversion and Development Services, Real Estate Management and Engineering for Land and Assets under the Jurisdiction and Control of the Bases Conversion and Development Authority (BCDA)	ISO 9001:2008	<input checked="" type="checkbox"/>

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Bases Conversion and Development Authority (BCDA)	ISO 9001:2008	01 100 1432569	2 nd Follow up Audit

3 Changes in the management system / Contract review

The changes made to the management system and the management system documentation since the last audit include:

- The QMR position is open. The previous appointed QMR has retired. The Deputy QMR assumes the QMR responsibilities
- On-going organizational restructuring.
- Change of scope from Provision of Conversion and Development Services for Land and Assets under the Jurisdiction and Control of the Bases Conversion and Development Authority (BCDA) to Provision of Conversion and Development Services, Real Estate Management and Engineering for Land and Assets under the Jurisdiction and Control of the Bases Conversion and Development Authority (BCDA).

The order details which form the basis of the audit (including number of employees, scope and sites) reflect the actual situation in the organization.

4 Audit findings

The audit findings related to the audited standards are listed in the Annexes to this report (see. Annex ISO 9001).

In the audit, the actual process flow of sample operations was examined in individual areas of the company. In doing so, the auditors reviewed the conformity of the process flows with the requirements of the standard and the descriptions in the management documentation. This audit was performed on the basis of random samples, including interviews and examination of the appropriate documents.

Conformity to all the requirements of DIN EN ISO 9001:2008 was completely affirmed. Implementation of the standard's requirements is plausible and suitable, and could be reliably ascertained during the audit. The auditors found zero (0) nonconformity against the requirements of the standard.

Confirmation of the maintenance of the validity of the issued certificate is recommended for ISO 9001:2008.

All information gained during the audit will be treated with strict confidentiality by the audit team and the certification body. In view of the sampling approach applied to the audit, weaknesses and nonconformities may still exist which have not been identified during the audit.

4.1 Positive findings and opportunities for improvement

No.	Unit/Department Site	Positive findings
1	Company-wide	100% achievement of the Strategic Objectives
2	Top Management	Joint Venture Agreement with Filinvest Land Inc. for the development of a 288 hectare parcel of the Clark Green City, dated 2015 September 28
3	Document Control	Implementation of EDTS for the control of internal & external documents is noteworthy.
4	Customer Satisfaction	High customer satisfaction rating on the following aspects, based on the latest Customer Satisfaction Survey, integrity 91.3% and efficiency 90.5

Audit Report

Client	Standard(s)	Certification Number(s)	Audit Type
Bases Conversion and Development Authority (BCDA)	ISO 9001:2008	01 100 1432569	2 nd Follow up Audit

The following recommendations and opportunities for improvement provided by audit team are intended to contribute to the continuous improvement of the management system.

No.	Unit/Department Site	Recommendations and opportunities for improvement
1	Internal Audit	Need to ensure timely closure of CPAF. CPAF 2015-003 issued in April 22, 2015 is still open as of audit time
2	Customer Service	Further analysis of the NLP survey result may be considered. E.g. respondents perceived score per Performance Area.
3	Purchasing	May consider to inform suppliers of the result of Suppliers Performance Evaluation.
4	Training	Need to ensure consistent implementation of the evaluation of training effectiveness. Establishment of competence framework is on-going. This will be further checked next audit along with the 2016 Training Plan
5	Land & Asset Development	GIS (Geographic Information System) Database for all BCDA land assets – target completion by 2 nd quarter 2016; this will be verified on the next visit. Development of system to assess/view land information of BCDA assets – target completion by June 2016, this will be verified on the next visit.
6	Maintenance	Consider to further enhance the planning of preventive maintenance of vehicles for easy monitoring (e.g. Plan vs. Actual)
7	Construction Management	Review of the Accomplishment Reports for the Improvement/Rehabilitation of Selected Existing Access Dirt Roads within the Clark Global City shows that some reports have erroneous dates, to wit: <ul style="list-style-type: none"> Dated 2/3/16 with accomplishment 14.41% (while dated 2/29/16 reports 11.05%) Two reports dated 5/3/16 with different accomplishments 51.64% and 56.18%.
8	Corporate Planning	Consider to enforce a single unified format for the Departmental Objectives, some are portrait, others are landscape in orientation.

5 Dates

Due Date for the next audit

2017-06-27

Agreed date for the next audit

2017-06-27 (-3/+0 months)

24 May 2016

Date


Mary Grace Balobalo

Audit Leader

Client	Standard(s)	Certification Number(s)	Audit Type
Bases Conversion and Development Authority (BCDA)	ISO 9001:2008	01 100 1432569	2 nd Follow up Audit

Annex ISO 9001

Item	Audit result
Policy / objectives	<p>Top Management has declared its quality policy binding and implemented. The quality policy is appropriate and provides a framework for the respective quality objectives. It commits all employees to pursue continuous quality system improvement</p> <p>2015 key quality objectives (corporate level) as agreed with the Governance Commission for GOCCs (GCG) were achieved 100% based on the 2015 year end Performance Scorecard Report.</p> <p>For 2016, the following key quality objectives include:</p> <ul style="list-style-type: none"> • SO1 : develop the Baselands into World-Class Economics Centers <ul style="list-style-type: none"> ○ 300has BCDA Economic Zones Area disposed according to Board-Approved Master Plan ○ 500 Million pesos Actual Investment in BCDA Economic Zones • SO2: Optimize the Benefits of the country from the conversation and development of the baselands <ul style="list-style-type: none"> ○ 3.00 Billion Pesos Total Remittance to the National Government ○ Average Stakeholder Satisfaction Survey (+5% from the 2015 actual) • SO3 Achieve Best value from disposition of lands <ul style="list-style-type: none"> ○ 1.80 Billion Pesos Cash Proceeds from Business Contrcats in BCDA Economics Zones ○ 2.70 Billion pesos cash proceeds from regular accounts • SO4 : Stregthen and steamline Project Management Processes <ul style="list-style-type: none"> ○ 90% adherence to BCDA Contract Checklist ○ 5 working days turn-around time to prepare contracts • SO5: Efficient Coordination with subsidiaries <ul style="list-style-type: none"> ○ Implementation of the Computerized Accounting System (2 subsidiaries (CDC and 1 other Subsidiary) • SO6: Develop a Quality Management System (ISO 9001:2008) for all Processes <ul style="list-style-type: none"> ○ Retained ISO certificate • SO7: Optimize the use of Information Technology <ul style="list-style-type: none"> ○ 6 processes implementation of the ICT Plan ○ Operational for JHMC and PPMC by end of 2016 establishment of the EZ Biz • SO8: Establish a competency – Based Framework for BCDA Personnel <ul style="list-style-type: none"> ○ Establishment of a Competency-Based Framework Model. Complete Phase 2, Phase 3 and Baseline Setting ○ Development of Integrity Management Plan and BCDA Code of Conduct <p>Department level objectives which are consistent/aligned with the above corporate objectives were also established. These are translated to Key Performance Measures and Performance Targets which are reviewed regularly during regular management meetings.</p>
Process control including outsourced	The processes available in the organization have been identified and documented. Process workflows and interactions have been described and appropriately

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Item	Audit result
processes	<p>controlled. The processes are evaluated at regular intervals by means of key performance indicators.</p> <p>Key processes within the scope of product realization include:</p> <ul style="list-style-type: none"> • Business Development • Land & Assets Development <ul style="list-style-type: none"> ○ Surveying & Titling ○ Master Planning ○ Appraisal ○ Inventory of Properties/Appraisal • Project Management • Real Estate Management <p>The following processes have been outsourced:</p> <ul style="list-style-type: none"> • Consultancy Services (Masterplanning, Appraisal, Surveys, Special Studies, Financial, IT, Construction Design and Project Management) • Construction and Infrastructure Works • Engineering • Janitorial & Security Services (HQ & Controlled Properties) <p>These processes are appropriately reviewed and controlled.</p>
Customer-related and other requirements	<p>The organization analyses and evaluates customer requirements and/or enquiries and any documented, assumed, statutory and regulatory requirements within the scope of a production and feasibility study performed in a team.</p> <p>Offers are prepared and approved by President/CEO. The person who prepared the offer reviews the contract to ensure its compliance with the offer and documents this compliance in an order confirmation. The same procedure applies to amendments.</p> <p>The following process requirements significantly affect product or service quality:</p> <ul style="list-style-type: none"> • Competence of engaged surveying agency • Accuracy of surveys / alignment with Philippine Land Registration Authority records • Complete legal documentation required for titling & registration (e.g. Memorandum of Agreement, Tax Declaration, Tax Clearances, Technical Description) • Approved master plan • Project plans and monitoring (S-Curve, GANTT) • Approved endorsement from the AFP • Valid contracts / Notice-of-Award / Notice-to-Proceed • Property Appraisal Reports <p>Key regulatory, statutory and customer-related requirements include:</p> <ul style="list-style-type: none"> • BCDA Charter of 1992 (R.A. 7227) / IRR of BCDA (E.O. 62, S.1993) / Amendment of R.A. 7227 (R.A. No. 7917) / Amendment of R.A. 7227 (R.A. 9400) • Revised AFP Modernization Program (R.A. No. 10349) • GOCC Governance Act of 2011 (R.A. No. 10149) • Government Procurement Act (R.A. No. 9184) • Anti-Red Tape Act of 2007 (R.A. 9485) • National Archives of the Philippines Act of 2007 (R.A. 9470)

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Item	Audit result
	<ul style="list-style-type: none"> • Civil Service Commission (CSC) Rules and Regulations • National Building Code of the Philippines • National Structural Code of the Philippines • Fire Code of the Philippines • DPWH Standard Specifications • DOLE / BWC / OSHC
Customer satisfaction and complaints	<p>The organization maintains documented and effective procedures governing the handling of information, data analyses, improvement actions and responses to customer feedback.</p> <p>Four tools were used to gather the feedbacks, namely Internal Service Feedback Form, Survey for Merchants (Procurement Partners), Stakeholders Perception Studies, and Survey For the AFP.</p> <p>A Stakeholders Perception Survey was conducted by a third party service provider from October to December 2015 with 153 respondents. A positive perception and satisfaction of the stakeholders was noted with a general average of 88.51%. The top five areas of BCDA's performance are Integrity 91.3%, Efficiency -90.5%, Help Improve Lives 89.8%, Job Creation 89.6% and Excellence 88.1%. The lowest perceived scores are in the aspect of revenue turned over to the government and fairness of the bidding process. However it's not known whether these claims are valid as there was no further data analysis made to the result of the survey. A related opportunity for improvement was raised in the Section 4 of this report.</p> <p>Customer complaint is also being addressed by the organization through the Corrective Action Reports. There was no customer complaints received as of May 2016</p>
Internal audit and management review	<p>Internal Audit</p> <p>The organization measures MS implementation, maintenance and effectiveness by means of annually scheduled system audits. The organization reliably carries out these audits. There were 22 qualified Internal Auditor who attended and passed the Internal Audit Training. The internal audits are scheduled 2nd quarter to 4th quarter of the year. In 2015, there are a total of 5 nonconformities and 49 opportunities for improvements. As of audit time, one non-conformity is still open. An OFI was raised in relation to timely closure of nonconformity. See Section 4 of this report. For 2016, the latest internal audit was conducted in May 05 which covered the Land and Asset Development and Record Management, a total of 4 OFI were raised.</p> <p>Management Review</p> <p>Top management reviews the organization's quality management system at regular intervals (Annually) and in line with the requirements to ensure its continuous suitability, adequacy and effectiveness. The organization also conducted a weekly Mancom meeting to discussed topics related to the performance achievement and other topics related to the Management review. The recent management review was held last March 14, 2016</p> <p>The management review was carried out in accordance with the requirements and was effective.</p>

Audit Report

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Item	Audit result
Use of certificate and logo	The organization uses the logo and the certificate (e.g. on business cards, company letterhead and promotional materials) in compliance with the requirements. As discussed, update of the TUV Rheinland logo on sampled artwork.

Standard element	4.1	4.2	5.1	5.2	5.3	5.4	5.5	5.6	6.1	6.2	6.3	6.4
Rating*)	1	2	1	1	1	1	1	1	1	2	2	1
No. of nonconformity												
Standard element	7.1	7.2	7.3	7.4	7.5	7.6	8.1	8.2	8.3	8.4	8.5	
Rating*)	1	1	1	2	1	4	1	2	1	1	1	
No. of nonconformity												

- *Rating:**
- 1 = conforming
 - 2 = conforming but opportunities for improvement
 - 3 = failed/nonconformity (see nonconformity report)
 - 4 = not applicable
 - 5 = not audited in this audit