



PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02)** between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

BASES AND CONVERSION DEVELOPMENT AUTHORITY (BCDA)

WITNESSETH: THAT –

The Parties agree to the following terms:

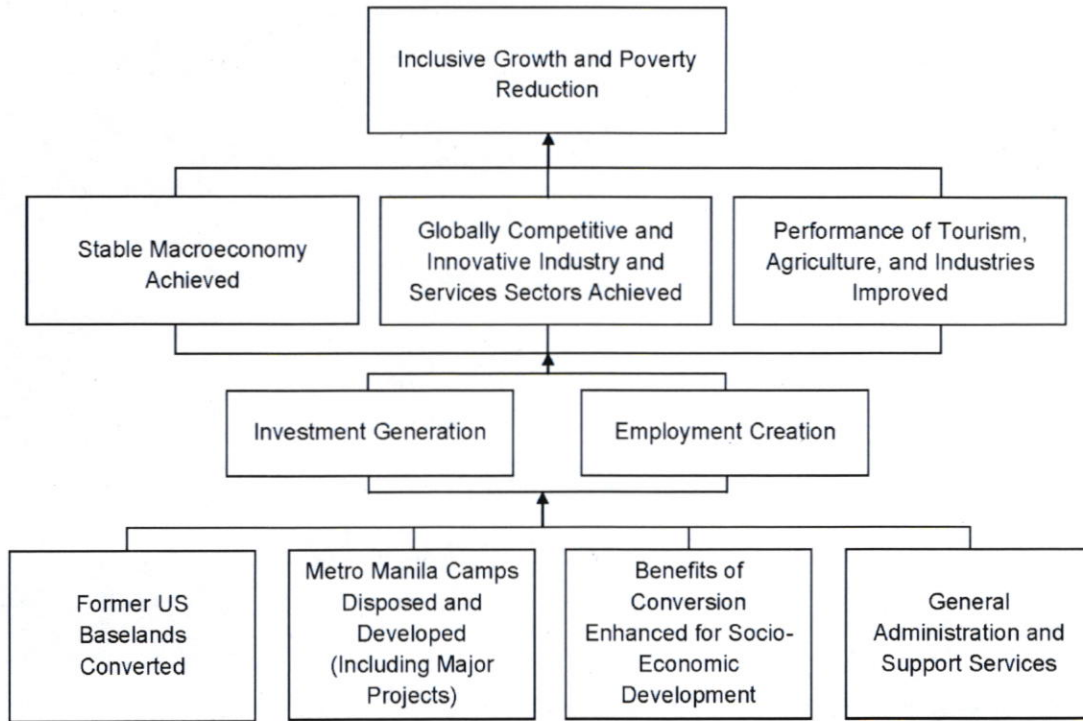
1. **Period.** – This Agreement shall be effective for a period of two (2) calendar years beginning from the execution of this Agreement and ending on 31 December 2014.
2. **Charter Statement and OPIF Logframe.** – BCDA's Charter Statement and OPIF Logframe for the Period specified in Section 1 hereof, shall be as follows:

Mission: BCDA as the Principal Conversion Authority commits to:

1. Accelerate the sound and balanced conversion of former military baselands into self-sustaining, and productive uses, anchored on private sector participation and with the involvement of affected sectors and communities;
2. Optimize revenue generation from disposition and development of Metro Manila camps;
3. Create opportunities for investment and employment in Central and Northern Luzon; and
4. Develop a highly motivated professional workforce.

Vision: The conversion and development of selected military baselands into viable, sustainable and world-class economic centers for nation building.





3. **Measurement of Performance.** – Based on the Interim Performance Scorecard 2013-2014 attached hereto as **Annex A**, the BCDA's Performance for 2013-2014 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

MFO	Performance Indicator	Weight		Baseline 2012	Annual Targets	
		2013	2014		2013	2014
MFO 1: Former US Baselands Converted	BCDA Economic Zones Area for Disposition	10%	10%	15.69 has.	7.0 has. (out of 30 has.)	12.0 has. (out of 23 has.)
	Contract Approval Processing Time	10%	10%	30 working days	30 working days	20 working days
	Cash Proceeds from Business Contracts in BCDA Economic Zones	10%	10%	₱1.22 Bn	₱ 1.3 Bn	₱ 1.35 Bn
Subtotal of Weights:		30%	30%			
MFO 2: Metro Manila Camps Disposed and Developed (Including Major Projects)	Metro Manila Camps Area for Disposition	15%	15%	1.16 has.	3.2 has. (out of 19 has.)	6.5 has. (out of 15.8 has.)
	Terms of Reference (TOR) Preparation Time	10%	10%	90 days	90 days	90 days
	Cash Proceeds from Metro Manila Camps Disposed and Major Projects	15%	15%	₱3.325 Bn	₱3.5 Bn	₱3.6 Bn
Subtotal of Weights:		40%	40%			
MFO 3: Benefits of Conversion Enhanced for Socio-Economic Development	Financial: Amount of Dividends Remitted to the National Government	20%	20%	₱203 Mn	₱300 Mn	₱350 Mn
Subtotal of Weights:		20%	20%			

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MFO	Performance Indicator	Weight		Baseline	Annual Targets	
		2013	2014	2012	2013	2014
General Administrative and Support Services (GASS)	Full Documentation of the Minimum Requirements for the ISO	5%	5%	N/A	100%	100%
	Compliance Rate	2.5%	2.5%	100%	100.00%	100.00%
	Timely Remittance of Disposition Proceeds/Collection from the Development and Conversion of Metro Manila Camps	2.5%	2.5%	GOCC Day (3 Jun 2013)	Within 30 working days from receipt of the proceeds	Within 30 working days from receipt of the proceeds
Subtotal of Weights:		10%	10%			

It is understood that the GOCC must achieve a weighted-average rating of at least 90% to be eligible to grant any Performance-Based Bonus.

4. **Strategic Initiatives.** – BCDA hereby commits to undertaking the following key programs and/or projects identified as having a significant impact on its Performance Scorecard (PES Form 2) attached hereto as **Annex C**, to wit:

- (a) Strategic Initiative 1 - Disposition of 2.14-hectare PA-SEG property;
- (b) Strategic Initiative 2 - Upgrading of San Fernando Airport Project;
- (c) Strategic Initiative 3 - Submission of Draft Executive Order to OP on the Clark Green City Project;
- (d) Strategic Initiative 4 - Disposition of the 33.13-hectare Bonifacio South Pointe (upon lifting of TRO);
- (e) Strategic Initiative 5 - Disposition of 3.9-hectare Camps Melchor and Atienza;
- (f) Strategic Initiative 6 - Metro Manila Central Business Districts (MMCBD) Transit System Project (Feasibility Study Completion);
- (g) Strategic Initiative 7 - John Hay Mini-Hydropower Plant Project (Feasibility Study Completion);
- (h) Strategic Initiative 8 - SCTEX O&M Concession Agreement; and
- (i) Strategic Initiative 9 - Construction of Access Roads for Clark Green City.

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. BCDA shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – BCDA shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter using the monitoring report attached hereto as **Annex C**.

6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good

Governance Conditions enumerated under GCG MC No. 2013-02, namely:

6.1. *Conditions common to National Government Agencies and GOCCs:*

- (a) Transparency Seal;
- (b) PhilGEPS Posting;
- (c) Cash Advance Liquidation;
- (d) Citizen's Charter or its equivalent; and
- (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Networth (SALN);

6.2. *Conditions specific to GOCCs covered by R.A. No. 10149:*

- (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable. Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision.
- (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
- (c) Adoption of a "*Manual of Corporate Governance*" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.
- (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
- (e) Adoption of a **No GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.

7. BCDA hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. BCDA shall determine the most effective method for accomplishing the said purpose. Such information shall be reported to GCG together with the quarterly monitoring report. The rating shall not affect the performance indicators/measures in BCDA's Performance Scorecard, and shall be used solely as a reference by GCG and BCDA during Performance Agreement Negotiations/Renegotiations.

8. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 26 September 2013, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOVERNMENT-OWNED OR –
CONTROLLED CORPORATIONS**


BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA
Chairman



MA. ANGELA E. IGNACIO
Commissioner



RAINIER B. BUTALID
Commissioner

**BASES AND CONVERSION
DEVELOPMENT AUTHORITY**

BY AUTHORITY OF THE BOARD OF
DIRECTORS:



ROLANDO P. GOSIENGFIAO
Chairperson



ARNEL PACIANO D. CASANOVA
CEO and President



ZORAYDA AMELIA C. ALONZO
Board Member



EDUARDO V. DE MESA
Board Member




MA. AURORA GEOTINA - GARCIA
Board Member



FERDINAND S. GOLEZ
Board Member



ELMAR M. GOMEZ
Board Member



SERAFIN U. SALVADOR
Board Member

BASES AND CONVERSION DEVELOPMENT AUTHORITY

Performance Measures				Baseline Data (if available)				Targets	
Description	Formula	Weight	Rating System	Data Provider if applicable	2010	2011	2012	2013	2014
MFO 1 : Former US Baselands Converted									
Quantity: BCDA Economic Zones Area for Disposition	No. of hectares entered into contract in the ecozones for the year	10%	(Actual/Target) x Weight		1 ha.	4 has.	15.69 has.	7.00 has. (out of 30 has.)	12.00 has. (out of 23 has.)
Timeliness: Contract Approval Processing Time	No. of days to approve business contracts referred to BCDA by its subsidiaries	10%	$(1 - \frac{\text{Actual} - \text{Target}}{\text{Target}}) \times \text{Weight}$		NA	NA	30 working days	30 working days	20 working days
Financial: Cash Proceeds from Business Contracts in BCDA Economic Zones	Cash proceeds from business contracts in BCDA ecozones	10%	(Actual/Target) x Weight		P954.96 Mn	P1.061 Bn	P1.220 Bn	P1.3 Bn	P1.35 Bn
Subtotal of Weights:		30%							

Performance Measures				Baseline Data (if available)				Targets	
Description	Formula	Weight	Rating System	Data Provider if applicable	2010	2011	2012	2013	2014
MFO 2 : Metro Manila Camps Disposed and Developed (Including Major Projects)									
Quantity: Metro Manila Camps Area for Disposition	No. of hectares entered into business/commercial contract in Metro Manila Camps for the year	15%	(Actual/Target) x Weight		34.50 has.	0.65 has.	1.16 has.	3.20 has. (out of 19 has.)	6.50 has (out of 15.8 has)
Timeliness: Terms of Reference (TOR) Preparation Time	No. of days to prepare TOR for Metro Manila Camps from Board approval of Term Sheet (based on Master Development Plan)	10%	(1 - (Actual - Target) / Target) x Weight		90 days	90 days	90 days	90 days	90 days
Financial: Cash Proceeds from Metro Manila Camps disposed and major projects	Cash proceeds from all Metro Manila disposition and major projects	15%	Actual/Target x Weight		P3.51 Bn	P1.5 Bn	P3.325 Bn	P3.5 Bn	P3.6 Bn
Subtotal of Weights: 40%									
MFO 3 : Benefits of Conversion Enhanced for Socio-Economic Development									
Financial: Amount of Dividends Remitted to the National Government	Amount of dividends remitted	20%	Actual/Target x Weight		N/A (Net Loss)	P526 Mn	P203 Mn	P300 Mn	P350 Mn
Subtotal of Weights: 20%									

Performance Measures				Baseline Data (if available)				Targets	
Description	Formula	Weight	Rating System	Data Provider if applicable	2010	2011	2012	2013	2014
General Administrative and Support Services (GASS)									
Quality: Full documentation of the minimum requirements for the ISO Certification	Completion of the ISO documents on - Quality Manual - Quality Procedures - Key Operational Procedures	5%	All or nothing		N/A	N/A	N/A	100%	100%
Quality: Compliance rate	No. of COA observations acted upon / No. of COA observations raised	2.5%	Actual/Target x Weight		100%	100%	100%	100%	100%
Timeliness: Timely remittance of disposition proceeds/collection from the development and conversion of Metro Manila Camps	Average number of working days	2.5%	$(1 - (\text{Actual} - \text{Target}) / \text{Target}) \times \text{Weight}$		Within 2 weeks	1 st . within 2 weeks 2 nd . GOCC Day (6 Feb 2012)	GOCC Day (3 Jun 2013)	Within 30 working days from receipt of the proceeds	Within 30 working days from receipt of the proceeds
Subtotal of Weights:		10%							
TOTAL OF WEIGHTS:		100%							

Note: Actual rating not to exceed the weight assigned per indicator.

BASES AND CONVERSION DEVELOPMENT AUTHORITY

STRATEGIC INITIATIVES PROFILE

I. Strategic Initiative 1

1. Name of Project	Disposition of 2.14-hectare PA-SEG property (2013)				
2. Contact Person/ Project Team Head:	VP Dean J. Santiago				
3. Project Description:	Disposition through Sale of the 2.14-hectare PA-SEG property				
4. Project Milestones					
Activities	Timeline		Budget	Funding Source	Status
	Duration				
Appraisal of property (LADD)	12 months			COB	
Negotiation with Megaworld for easement of ROW (BDOG)	6 months				
Contract Negotiation (BDOG/LSD)	6 months		PhP 500 T	COB	
5. Measures Affected	1) Metro Manila Camps Area for Disposition 2) Cash Proceeds from Metro Manila Camps disposed				

II. Strategic Initiative 2

1. Name of Project	Upgrading of San Fernando Airport Project (Approval of Bid Documents by 2014)				
2. Contact Person/ Project Team Head:	Tomas Y. Macrohon				
3. Project Description:	Upgrading of San Fernando Airport to meet ICAO standard for international flight, & airport terminal with commercial area/shopping mall open also to non-airport users				
4. Project Milestones	Completion of Business Case/Feasibility Study, NEDA Approval, Selection of PPP Private Partner				
Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Business Case/Feasibility Study	Sep 2013	Feb 2014	PhP 69.97 M	PDMF	
BCDA Board Approval of PPP Option	Mar 2014	Mar 2014			
NEDA Board Approval	Apr 2014	May 2014			
Preparation of Bid Documents & PPP Contract	Mar 2014	May 2014			
Approval of Bid Documents & PPP Contract	Jun 2014	Jun 2014			
Selection of PPP Private Partner	Jul 2014	Mar 2015			
5. Measures Affected					

III. Strategic Initiative 3

1. Name of Project	Submission of Draft Executive Order to OP on the Clark Green City Project (2013)				
2. Contact Person/Project Team Head:	PM Jake Bingcang				
3. Project Description:	The initiative pertains to the issuance of an Executive Order (EO) to establish jurisdiction of BCDA and to describe the metes and bounds of the CGC Project.				
4. Project Milestones	Executive Order				
Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Draft EO	Jul-13				
Review and approval by Management	Jul-13	Aug-13			
Submit draft EO to OP	Aug-13				
Meetings with OP	Aug-13	Sep-13			
Issuance of EO by OP	Oct-13				
5. Measures Affected					

IV. Strategic Initiative 4

1. Name of Project	Disposition of the 33.13-ha Bonifacio South Pointe (2014) (upon lifting of TRO)				
2. Contact Person/Project Team Head:	VP Dean J. Santiago				
3. Project Description:	Development of the 33.13-ha Bonifacio South Pointe property through Joint Venture with private sector				
4. Project Milestones					
Activities	Timeline		Budget	Funding Source	Status
	Duration				
Lifting of TRO (LSD)					ongoing
Financial review of TOR (ADP Com)					ongoing
MOA with NAMRIA/DENR (LADD)	6 months				ongoing
Relocation survey (LADD)	8 months			COB	
Appraisal of military facilities (LADD)	9 months			COB	completed
Clearing of informal settlers (PMD)	24 months		P85 M	To be advanced by JV Partner	
Relocation and Replication of ASCOM facilities (PMD)	36 months		TBD	To be advanced by JV Partner	
Relocation and Replication of Navy facilities (PMD)	36 months		TBD	To be advanced by JV Partner	
Widening of Lawton Avenue - Phase II (PMD)	20 months		P300 M	COB	
Secure tax clearance (LADD)				COB	
Bidding (ADPCom/BDD)	6 months		P2.5 M	COB	
5. Measures Affected	1) Metro Manila Camps Area for Disposition 2) Cash Proceeds from Metro Manila Camps disposed				

V. Strategic Initiative 5

1. Name of Project	Disposition of 3.9-hectare Camps Melchor and Atienza (2014)				
2. Contact Person/Project Team Head:	VP Dean J. Santiago				
3. Project Description:	Disposition through Sale of 3.9-hectare Camps Melchor and Atienza				
4. Project Milestones					
Activities	Timeline		Budget	Funding Source	Status
	Duration				
Titling (LADD)	24 months			COB	
Appraisal of military facilities (LADD)	12 months			COB	
Relocation/replication of military facilities (PMD)	36 months		TBD	Private Sector Partner	
Masterplanning (LADD)	12 months			COB	
Bidding (ADPCom/BDD)	6 months		P500 T	COB	
5. Measures Affected	1) Metro Manila Camps Area for Disposition 2) Cash Proceeds from Metro Manila Camps disposed				

VI. Strategic Initiative 6

1. Name of Project	Metro Manila Central Business Districts (MMCBD) Transit System Project (Feasibility Study Completion) (2014)				
2. Contact Person/Project Team Head:	Tomas Y. Macrohon				
3. Project Description:	The project involves the development of a mass transit system that will connect the Global Cities (Bonifacio Global City, McKinley Hill, Bonifacio South, and Newport City) with the Central Business Districts (CBDs) of Makati, Ortigas, Bay Area, etc.				
4. Project Milestones	Completion of Feasibility Study				
Activities	Timeline		Budget	Funding Source	Status
	Start	End			
JICA Approval & Procurement of Consultant	Apr 2013	Sep 2013			
Feasibility Study	Oct 2013	Oct 2014	c/o JICA		
(succeeding activities will depend on FS output)					
5. Measures Affected					

VII. Strategic Initiative 7

1. Name of Project	John Hay Mini-Hydropower Plant Project (Feasibility Study Completion by 2014)				
2. Contact Person/Project Team Head:	Tomas Y. Macrohon				
3. Project Description:	Rehabilitation of John Hay Mini-Hydropower Plant				
4. Project Milestones	Completion of Feasibility Study				
Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Preparation of Concept Study	Feb 2013	Jun 2013			
Submit PDMF Application (Case 1 - if PDMF Application approved)	Jul 2013	Jul 2013			
Approval of Funding thru PDMF	Aug 2013	Oct 2013			
Signing of TAA with PPP Center	Nov 2013	Nov 2013			
Procurement of TAS	Dec 2013	Jan 2014			
Business Case/Feasibility Study	Feb 2014	Jul 2014	PhP 45.00 M	PDMF	
BCDA Board Approval of PPP Option	Aug 2014	Aug 2014			
NEDA Board Approval	Sep 2014	Oct 2014			
Preparation of Bid Documents & PPP Contract (Case 2 - if PDMF Application disapproved)	Nov 2014	Jan 2015			
Preparation of Bid Documents	Nov 2013	Feb 2014			
Board Approval of Budget & Bid Documents	Mar 2014	Mar 2014			
Bidding & Contract Awarding & Signing	Apr 2014	Aug 2014			
Feasibility Study	Sep 2014	May 2015	PhP 10.00 M	BCDA	
5. Measures Affected					

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VIII. Strategic Initiative 8

1. Name of Project	SCTEX O&M Concession Agreement (2014)				
2. Contact Person/Project Team Head:	PM Jake Bingcang				
3. Project Description:	The project pertains to the search for a private sector partner in the long-term management, operations & maintenance of the Subic-Clark-Tarlac Expressway (SCTEX).				
4. Project Milestones	1) Signing of the Concession Agreement; 2) OP approval; and 3) turnover to Private Sector Partner				
Activities	Timeline		Budget	Funding Source	Status
	Start	End			
5. Measures Affected					

IX. Strategic Initiative 9

1. Name of Project	Construction of Access Roads for Clark Green City (2014)				
2. Contact Person/Project Team Head:	PM Jake Bingcang				
3. Project Description:	The project, in partnership with the Department of Public Works and Highways (DPWH), involves the provision of four (4) Access Roads for CGC, namely: (1) McArthur to Government Center (Primary Road); (2) Government Center to Capas-Botolan Road (Primary Road); (3) Capas-Botolan Road; and, (4) Kalangitan Resettlement Road.				
4. Project Milestones	MOA with DPWH, Detailed Design, and Actual Construction Works				
Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Execute MOA with DPWH	Oct-13	Nov-13	ROW: BCDA Design & Construction: DPWH		
Prepare technical study on the planned road network	Oct-13	Nov-13			
Submit planned road network to DPWH	Dec-13				
Acquire road right-of-way (permit to enter)	Jan-14	Jun-14			
Turn-over acquired RROW to DPWH	Jul-14	Sep-14			
Detailed Design	Mar-14	Aug-14			
Construction Works	Sep-14	Dec-15			
Accept access roads built by DPWH	Jan-15	Dec-15			
5. Measures Affected					