



PERFORMANCE AGREEMENT

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

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

**METROPOLITAN WATERWORKS AND SEWAGE SYSTEM –
REGULATORY OFFICE (MWSS-RO)**

WHEREAS, the Parties above entered into a Performance Agreement covering CY 2016;

WHEREAS, the Parties agreed to renegotiate certain targets for CY 2015, pursuant to Section 7.2 of GCG MC No. 2013-02 (Re-Issued), which provides that “GOCCs can renegotiate the targets set in their Performance Agreements for the current year if the same are no longer feasible due to substantial changes in circumstances that could not have been foreseen at the time the targets were agreed upon.”

WITNESSETH: THAT –

The Parties agree to the following terms:

1. **Renegotiation.** – MWSS-RO's Performance Scorecard in its 2015 Performance Agreement is hereby amended pursuant to the attached **Renegotiated Performance Scorecard**. All other conditions in the Performance Agreement covering CY 2015 shall remain effective.
2. **Mission and Vision.** – MWSS-RO's Mission, Vision and target breakthrough results for its vision year are as follows:

Mission : For Metro Manila and its adjacent towns, the MWSS Regulatory Office, through effective regulatory mechanism, is committed to:

- Monitor compliance of the Concessionaires with contractual obligations;
- Monitor performance of the Concessionaires in providing adequate access to clean, potable, and affordable water;
- Monitor and enforce standards of service pertaining to the Concessionaires' delivery of water supply, water quality, and sewerage sanitation services, as well as ensure that such services fully cover their respective areas of operation; and
- Ensure prudence and efficiency in the implementation of the Concessionaires' Business Plans, and in doing so, deliver affordable tariffs that will support the long-term water security program and environment-friendly sewerage system for all covered areas.

Vision : By 2020, an independent and internationally recognized Regulatory Office that protects, promotes, and fulfills the rights of consuming public to safe, adequate, affordable, and reliable water supply and to environment-friendly sewerage system.

The agreed Strategy Map for achieving the vision is attached hereto as **Annex A** which shall serve as the context of performance negotiations of annual targets between the Governance Commission and the Board of the MWSS-RO.

3. **Measurement of Performance.** – Performance for 2015-16 shall be measured based on the Performance Scorecard attached hereto as **Annex B**. It is understood that MWSS-RO must achieve a weighted-average of at least 90% based on the agreed targets for 2015-16 to be eligible to grant any Performance-Based Bonus.
4. **Strategic Initiatives.** – MWSS-RO hereby commits to undertake 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 – Rate Rebasng Consultancy Services
 - (b) Strategic Initiative 2 – Customer Satisfaction Survey
 - (c) Strategic Initiative 3 – Regulatory Financial Audit
 - (d) Strategic Initiative 4 – Validation of Concessionaires' Asset Condition Reports
 - (e) Strategic Initiative 5 – Water Supply Microbiological Monitoring Program
 - (f) Strategic Initiative 6 – Water Supply Monitoring Program for Putatan
 - (g) Strategic Initiative 7 – Wastewater Quality Monitoring Program
 - (h) Strategic Initiative 8 – Development of Competency Framework
 - (i) Strategic Initiative 9 – ISO 9001 Certification

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

5. **Quarterly Submission of Performance Monitoring.** – MWSS-RO 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 D**.
6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, MWSS-RO must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 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 Net Worth (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 cleared by the Department of Finance, whenever applicable.
 - (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.
 - (f) Compliance with the deadlines and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to GCG MC No. 2014-02.
 - (g) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to GCG MC. No. 2014-03 and implementing issuances pursuant thereto.
 - (h) Submission of Corporate Operating Budgets (COBs):
 - i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National Budget Memorandum No. 123 on "Budget Call for FY 2016;"
 - ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 123.
 - (i) Where required, timely submission of complete reportorial requirements to the Department of Finance (DOF):
 - i. Monthly Cash and Incentive Balance;
 - ii. Quarterly submission of Financial Statement, Cash Surplus/Deficit, Domestic and Foreign Liabilities Schedule, and Capital Outlay;
 - iii. Yearly Audited Financial Statement and Plans and Programs;
 - iv. Other data needed for evaluation or as required by DOF, DBM, BTr, and/or Senate/Congress.
7. MWSS-RO shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, MWSS-RO shall copy furnish the Governance Commission copies of all written communications between, MWSS-RO and COA on such matters, inform GCG of the schedule of its exit



interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination.

Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to the PBI, without prejudice to a further determination on the impact of the same on MWSS-RO's PBB application.

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 16th day of May 2016, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION
FOR GOCCs**

BY AUTHORITY OF THE COMMISSION:


CESAR L. VILLANUEVA
Chairman


MA. ANGELA E. IGNACIO
Commissioner


RAINIER B. BUTALID
Commissioner

**METROPOLITAN WATERWORKS
AND SEWERAGE SYSTEM –
REGULATORY OFFICE**


GERARDO A.I. ESQUIVEL
Acting Chairman and Administrator


JOEL C. YU
Chief Regulator


IRENEO M. GALICIA
Government Corporate Counsel


MA. CECILIA G. SORIANO
Board Member


JOSE RAMON T. VILLARIN, SJ
Board Member



BENJAMIN J. YAMBAO
Board Member



HELENA AGNES S. VALDERRAMA
Board Member



OLIVIA LA'O CASTILLO
Board Member



MWSS
REGULATORY
OFFICE

MISSION

For Metro Manila and its adjacent towns, the MWSS Regulatory Office, through effective regulatory mechanism, is committed to:

- Monitor compliance of the Concessionaires with contractual obligations;
- Monitor performance of the Concessionaires in providing adequate access to clean, potable, and affordable water;
- Monitor and enforce standards of service pertaining to the Concessionaires' delivery of water supply, water quality, and sewerage sanitation services, as well as ensure that such services fully cover their respective areas of operation; and
- Ensure prudence and efficiency in the implementation of the Concessionaires' Business Plans, and in doing so, deliver affordable tariffs that will support the long-term water security program and environment-friendly sewerage system for all covered areas.

CORE VALUES

- Patriotism
- Integrity and Professionalism
- Participatory Governance
- Transparency and Accountability

Signature

STRATEGY MAP

VISION

By 2020, an independent and internationally recognized Regulatory Office that protects, promotes, and fulfills the rights of consuming public to safe, adequate, affordable, and reliable water supply and to environment-friendly sewerage system.

Increased Number of Domestic Customers with Continuous and Safe Water Supply

Social Impact

Accurate Water and Sanitation Charges

Environment-friendly Sewerage System

Stakeholders

Empowered Stakeholders

Internal Process

Improve Regulatory Monitoring Functions to Ensure Compliance to Service Obligation Targets

Organization (Learning and Growth)

Attract, Develop and Retain Highly Competent Workforce

Develop and Implement Quality Management System

Finance

Exercise Prudence to Optimize Use of Resources

Themes:

Effective Regulation

Service Excellence

Signature

METROPOLITAN WATERWORKS AND SEWAGE SYSTEM – REGULATORY OFFICE

SOCIO-ECONOMIC IMPACT										
Component		Data Provider				Baseline Data (if applicable)		Target		
Objective/Measure	Formula	Weight	Rating System ^a	Data Provider		2013	2014	2015 ^b	2016	
SO 1 Increased Number of Domestic Customers with Continuous and Safe Water Supply										
SM 1	Number of water service connection served	No. of New Water Connection Installed / Projected No. of Water Service Connection	7.5%	Actual/Target x Weight	Concessionaires & CSR	1,937,810	1,993,331	2,050,000	2,173,350	
SM2	Number of connections with 24hr and 7 psi water supply	Absolute Number	6.5%	Actual/Target x Weight	Concessionaires & TRA	1,894,209	1,953,464	2,019,250	2,140,750	
SM3	Compliance of RO and concessionaire samples with PNSDW on bacteriological quality (i.e. 95% and above)	95% and above	6.5%	Actual/Target x Weight	Concessionaires & TRA	Compliant	Compliant	Compliant	Compliant	
SO 2 Accurate Water and Sanitation Charges										
SM4	Percent of compliance with IRR on Rate Classification a. Billing Scheme of High Rise Buildings and Multiple Dwellings b. Government Institutions c. Places of Worship	Absolute Number	8%	Actual/Target x Weight	Concessionaires & CSR	NA	NA	20% of the total accounts covered by IRRs (a), (b) & (c)	80% of total accounts covered by IRRs (a), (b) & (c) (cumulative)	

SOCIO-ECONOMIC IMPACT

jay

Component		Baseline Data (if applicable)				Target
Objective/Measure		Data Provider		Rating System ^a		2015 ^b
Formula		Weight		2016		
SO 3 Environment-Friendly Sewerage System						
SM5	Number of sewer connections	Absolute Number	5%	Actual/Target x Weight	Concessionaires & CSR	169,875
SM6	Percentage of samples from STPs compliant to DENR Administrative Order No. 35	Number of compliant samples / Total number of samples	5%	Actual/Target x Weight	Concessionaires & TRA	90.50%
SM7	Number of septic tank dislodged	Absolute Number	5%	Actual/Target x Weight	Concessionaires & CSR	89,581
		Subtotal:				
SO 4 Empowered Stakeholders						
SM8	Percent of issues addressed by the activities (public consultations, dialogues, briefings)	No. of issues addressed/ No. of issues raised	4%	Actual/Target x Weight	Concessionaires & OCR	90%
SM9	Satisfaction rating from stakeholders	Milestone	4%	Procurement of Consultant = 2% Development of Methodology = 3% Actual Implementation = 4%	Consumers & OCR	Satisfactory
		Subtotal:				
STAKEHOLDERS						

for

Component					Baseline Data (if applicable)				Target
Objective/Measure		Formula	Weight	Rating System ³	Data Provider	2013	2014	2015 ^b	2016
SO 5 Improve Regulatory Monitoring Functions to Ensure Compliance to Service Obligation Targets									
SM10	Number of audits conducted: a. Regulatory Financial Audit	Absolute Number	5%	<ul style="list-style-type: none">• Procurement of auditors = 2%• Completion of audit = 5%	Concessionaires & FRA	N/A	N/A	Milestone	Completed Audit
	b. Percent of CAPEX Disbursed Audited	Amount of CAPEX Disbursed Audited / Total Amount of CAPEX Disbursed	5%	Actual/Target x Weight	Concessionaires & TRA	70.21%	N/A	Audit 30% of CAPEX Disbursed (Unaudited 2012 - end of 2015)	Audit of the remaining 45% of CAPEX disbursed for unaudited 2012 until end of 2015; Enhanced Capex Monitoring Manual
	c) Asset Condition Report Validation and Authentication	Milestone	3%	<ul style="list-style-type: none">• Award of Contract = 0.5%• 408 Above-ground facilities = 2%• 180 Below-ground cut-outs = 3%	Concessionaires & TRA	70.21%	N/A	N/A	100% Validation of 408 above-ground facilities and 180 below-ground cut-outs
	Percentage of rate petitions resolved within 15 calendar days prior to intended implementation	Number of rate petitions resolved within 15 calendar days prior to intended implementation / Total number of rate petitions submitted	7.5%	80 - above = 7.5% 70 - 79.0% = 6.5% 60 - 69.9% = 5.0% 50 - 59.9% = 3.0% 40 - 49.9% = 1.0% below 40% = 0.0%	Concessionaires & FRA	67%	50%	70%	80%
SM11									

INTERNAL PROCESS

jay

INTERNAL PROCESS											
Component			Data Provider				Baseline Data (if applicable)		Target		
Objective/Measure		Formula	Weight	Rating System ^a	2013		2014		2015 ^b		2016
SM12	Number of samples collected and tested (annual)				Concessionaires & TRA	1,290	1,440	1,580	1,580	1,580	1,580
	a. Water	Absolute Number	3%	Actual/Target x Weight							
	b. Waste water	Absolute Number	3%	Actual/Target x Weight		337	443	480	530		
SM13	Number of benchmark customers validated (re: 24 hr/ 7psi water supply)	Absolute Number	4%	Actual/Target x Weight		80	100	120	140		
SM14	Percent of complaints resolved within 10 working days from submission for resolution	Number of complaints resolved within 10 working days from submission for resolution / Total number of complaints	3%	Actual/Target x Weight	Concessionaires & CSR	N/A	71%	90% of cases submitted for resolution	90%		
SM15	KPI + BEMs Evaluation Reports (within 60 days from Concessionaires' submission)	Milestone		• Submitted = 1% • Submitted on time = 2%						Concessionaires & OCR	N/A
	a. 2015 Annual	2%	N/A		N/A						
	b. Mid-2016	2%	N/A		N/A	2					
		Subtotal:		37.5%							

jay

37.5%

Component		Data Provider			Baseline Data (if applicable)			Target
Objective/Measure	Formula	Weight	Rating System ^a		2013	2014	2015 ^b	2016
SO6 Attract, Develop and Retain Highly Competent Workforce								
SM16	Percent of employees trained	Actual employees trained/ total work force	3%	Actual/Target x Weight	ALA	52%	70%	80%
SM17	Average Percentage of Required Competencies met	Milestone	3%	<ul style="list-style-type: none">Procurement of Consultant = 1%Competency Catalogue = 2%Board-approved Competency Framework / Model = 3%	ALA	N/A	N/A	Board-approved Competency Framework/Model
SO 7: Develop and Implement Quality Management System								
SM18	ISO 9001 Certification	Milestone	3%	<ul style="list-style-type: none">BOT-approved QMS Manual = 1%ISO Certification = 3%	ALA	N/A	N/A	Draft QMS Manual
		Subtotal:	9%					ISO Certification
SO 8 Exercise Prudence to Optimize Use of Resources								
SM19	Budget Utilization Ratio	(Actual + Savings)	2%	Actual/Target x Weight	ALA	40% (83.8M / 211M)	57%	80% (107M / 134M)
		Subtotal:	2%					
		TOTAL:	100%					
FINANCE								
LEARNING AND GROWTH								

a/ But not to exceed the weight assigned per indicator.

b/ Subject to GCG validation.

for

METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM –
REGULATORY OFFICE

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVE PROFILE I

1. **Name of Project:** Rate Rebasing Consultancy Services
2. **Contact Person/Project Team Head:** Chief Regulator Joel C. Yu
3. **Project Description:**

The consultancy entails the audit and evaluation of the Concessionaires' historical cash flows using the efficiency and prudence test and the preceding Rate Rebasing-approved ADR to compute the Opening Cash Position. The consultancy also includes an evaluation of Concessionaires' compliance with service obligations; of KPIs/BEMS; evaluation of their Business Plans for 2018-2022, etc. Ultimately, the consultancy will determine the rebasing adjustment for 2018 based on the provisions of Article 9.4 of the Concession Agreement: General Rate Setting Policy/Rate Rebasing Determination.

4. **Project Frequency:** Every five (5) years
5. **Project Milestones:**

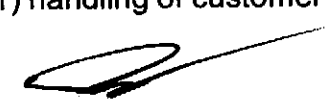
Activities	Timeline		Budget (P M)	Funding Source	Status
	Start	End			
2002 Rate Rebasing	May 2002	Dec 2002	43.070	RO-COB	Completed
2007 Rate Rebasing	Oct 2007	Dec 2007	4.685	RO-COB	Completed
2012 Rate Rebasing	Mar 2013	Aug 2013	61.597	RO-COB	Completed
2017 Rate Rebasing	Oct 2016	Jun 2017	60.411	RO-COB	Proposed

6. **Measures Affected:** SM4

II. STRATEGIC INITIATIVE PROFILE II

1. **Name of Project:** Customer Satisfaction Survey
2. **Contact Person:** Atty. Kristin San Pedro
Acting Manager
Public Information Department
3. **Project Description:**

The consultancy involves the establishment of a rating system on the MWSS-RO's performance pertaining to its regulatory functions stipulated in the CAs to ensure customer satisfaction in the delivery of water and sewerage services to the consuming public by the Concessionaires. The consultancy includes an assessment of customers' level of satisfaction with MWSS RO's performance of its regulatory functions and delivery of services to the consuming public. It focuses on the areas of (1) handling of customer complaints and (2) provision of information.



4. Project Milestones:

Activities	Timeline		Budget (P M)	Funding Source	Status
	Start	End			
Procurement of Consultant	Apr 2016	Jun 2016	0.650 M	RO-COB	Proposed
Development of Methodology	Jul 2016	Dec 2016			
Actual Implementation					

5. Measures Affected: SM9

III. STRATEGIC INITIATIVE PROFILE III

- 1. Name of Project: Regulatory Financial Audit
- 2. Contact Person: Sharlene Zausa
Officer-In-Charge
Financial Audit and Asset Monitoring Department
Financial Regulation Area

3. Project Description:

The consultancy covers the conduct of an interim Regulatory Financial Audit on the books and records of Manila Water and Maynilad for the period 1 January to 31 December 2015, in preparation for the 2017 Rate Rebasing.

4. Project Milestones

Activities	Timeline		Budget (P M)	Funding Source	Status
	Start	End			
2015 RFA (2012*-13)	Apr 2015	Jun 2015	5.31	RO-COB	Failed Bid
2016 RFA (2015)	Jun 2016	Aug 2016	5.20	RO-COB	Proposed
2017 RFA (2012*, 2013, 2014, 2016*)	Q2 2017	Q3 2017		RO-COB	

5. Measures Affected: SM10a

IV. STRATEGIC INITIATIVE PROFILE IV

- 1. Name of Project: Validation of Concessionaires' Asset Condition Reports (ACR)
- 2. Contact Person: Jose Noel Dalistan
Acting Manager
Operations Monitoring Department
Technical Regulation Area

3. Project Description:

The project covers the conduct of an independent third party technical audit of the accuracy and completeness of the Asset Condition Reports submitted by the Concessionaires in compliance with Article 6.5.3 of the CA. It will involve the review and validation of the Concessionaires' ACRs as of December 2015 utilizing the structured ACR framework developed by the RO.

4. Project Milestones:

Activities	Timeline		Budget (P M)	Funding Source	Status
	Start	End			
2001 Development of ACR Framework	Jan 2001	May 2001	6.500	RO-COB	Completed
2008 ACR Validation as of 2007	May 2008	Oct 2008	13.346	RO-COB	Completed
2013 Valuation of Assets Used in Operation by	Mar 2013	Oct 2013	21.030	RO-COB	Completed

Ref

MWSS and its Concessioners and the Review and Validation of the Concessionaires' ACRs (as of December 2010)					
2016 Review and Validation as of December 2015	Sep 2016	Mar 2017	17.400	RO-COB	Proposed

5. Measures Affected: SM11c

V. STRATEGIC INITIATIVE PROFILE V

1. **Name of Project:** Water Supply Microbiological Monitoring Program
2. **Contact Person:** Evelyn B. Agustin
Manager
Water Quality Control Monitoring Department
Technical Regulation Area

3. **Project Description:**

The consultancy covers the bacteriological analytical services for water samples collected by the RO within the supply zones of all water treatment plants, the product or treated water at the water treatment works' outlet and their respective water sources, except Putatan TP and its supply zone, and its raw water source which are separately covered in Strategic Initiative 6 as Water Supply Monitoring Program for Putatan Treatment Plant and its Supply Zone. Previous analytical services concerning water quality monitoring included the Putatan Treatment Plant and its supply zone including its raw water. Previous programs also covered not only bacteriological analyses but they also included some of inorganic and organic parameters that were needed for the Putatan TP because of the quality of its water source and the advance treatment process applied for Putatan TP. Another distinctive difference of this Project from previous engagements is that manpower requirements including vehicle & fuel in the conduct of water sampling shall be provided by the winning firm. However, the MWSS RO is not precluded from conducting its own water sampling despite laboratory testing shall be performed by the winning firm.

The program is one of the activities undertaken by the RO in line with its task to monitor and validate Concessionaires' compliance with the Philippine National Standards for Drinking Water.

4. **Project Milestones**

Activities	Timeline		Budget (P M)	Funding Source	Status
	Start	End			
2009	Sep 2009	Aug 2010	0.752	RO-COB	Completed
2010	Oct 2010	Sep 2011	0.549	RO-COB	Completed
2011	Oct 2011	Mar 2012	0.084	Unutilized funds of the 2010 contract	Extension of the 2010 contract with Board approval; Completed
2012	15 Mar 2012	Mar 2013	1.862	RO-COB	Completed Extended Apr-Aug 2013 at no additional cost
2013	14 Aug 2013	13 Aug 2014	1.350	RO-COB	Extended to 13 Oct 2014 at no additional cost; Completed

Handwritten signature/initials

2014	14 Oct 2014	13 Oct 2015	1.191	RO-COB	Completed
2015	16 Nov 2015	15 Nov 2016	1.644	RO-COB	On-going
2016	Nov 2016	Nov 2017	1.422		Proposed

5. Measures Affected: SM3, SM 12a

VI. STRATEGIC INITIATIVE PROFILE VI

- 1. Name of Project: Water Supply Monitoring Program for Putatan
- 2. Contact Person: Evelyn B. Agustin
Manager
Water Quality Control Monitoring Department
Technical Regulation Area

3. Project Description:
The consultancy is limited only for the Putatan Treatment Plant, its supply zone including its raw water. It covers not only for the bacteriological analytical services but also for the necessary inorganic and organic analytical services in the samples collected by the RO from the raw water, treatment plant outlet and in its supply zone Water quality monitoring of Putatan TP and supply area was previously integrated in the Water Supply Check Monitoring. Similarly, manpower and other attendant resources (vehicle, fuel, etc.) are now proposed to be provided by the winning firm. However, the MWSS RO is not precluded from conducting its own water sampling despite laboratory testing shall be performed by the winning firm.

4. Project Milestones

Activities	Timeline		Budget (P M)	Funding Source	Status
	Start	End			
2016	Nov 2016	Oct 2017	1.673	RO-COB	Proposed

5. Measures Affected: SM3, SM 12a

VII. STRATEGIC INITIATIVE PROFILE VII

- 1. Name of Project: Wastewater Quality Monitoring Program
- 2. Contact Person: Evelyn B. Agustin
Manager
Water Quality Control Monitoring Department
Technical Regulation Area

3. Project Description:
The consultancy involves analytical services for wastewater samples collected by the RO from the sewage and septage treatment plants operated and maintained by the Concessionaires. The number of operating wastewater treatment plants is expected to increase from 57 in 2015 to 67 in 2016. The use of market price in deriving the cost estimate rather than using the existing contract cost answers for the relative increase of the ABC for 2016. Unlike in previous contracts, manpower and other attendant resources (vehicle, fuel, etc.) for conducting wastewater sampling are now proposed to be provided by the winning firm. However, the MWSS RO is not precluded from conducting its own wastewater sampling despite laboratory testing shall still be performed by the winning firm.

[Handwritten signature]

4. Project Milestones

Activities	Timeline		Budget (P M)	Funding Source	Status
	Start	End			
2009	Sep 2009	Aug 2010	2.392	RO-COB	Completed
2010	Oct 2010	Sep 2011	1.253	RO-COB	Completed
2011	Oct 2011	Mar 2012	0.204	Unutilized funds of the 2010 contract	Contract extension
2012	15 Mar 2012	14 Mar 2013	1.334	RO-COB	Completed
2013	19 Jul 2013	18 Jul 2014	1.630	RO-COB	Completed
2014	16 Oct 2014	15 Oct 2015	1.982	RO-COB	Completed
2015	16 Nov 2015	15 Nov 2016	2.016	RO-COB	On-going
2016	16 Nov 2016	15 Nov 2017	4.358	RO-COB	Proposed

5. Measures Affected: SM6, SM 12b

VIII. STRATEGIC INITIATIVE PROFILE VIII

- 1. Name of Project: Development of Competency Framework
- 2. Contact Person: Virginia V. Octa
Officer-In-Charge
Administration and Legal Affairs

3. Project Description:

The consultancy includes the development of a “Competency Framework (CF) or Model” that will be integrated into the RO’s Competency-based HR System. The consultants shall provide the services & assistance in designing the CF program/modules and managing its implementation.

4. Project Milestones

Activities	Timeline		Budget (P M)	Funding Source	Status
	Start	End			
Procurement of consultant	Jan 2016	Mar 2016	0.48	RO-COB	Proposed
Completion of Competency Catalogue	Jul 2016	Sep 2016			
BOT Approval of Competency Framework/Model	Oct 2016	Dec 2016	-	-	

5. Measures Affected: SM17

IX. STRATEGIC INITIATIVE PROFILE IX

- 1. Name of Project: ISO 9001 Certification
- 2. Contact Person: Virginia V. Octa
Officer-In-Charge
Administration and Legal Affairs

3. Project Description:

The project involves the engagement of an “outsourced internal quality auditor” that will audit the RO Quality Management System Manual to be approved by the MWSS Board in preparation for an external audit to be conducted by a Certifying body in order obtain ISO 9001:2008 certification. The RO will also procure and engage the services of a Certifying Body that



will conduct assessment and audit of the RO's quality management system as a pre-requisite for ISO Certification.

4. Project Milestones

Activities	Timeline		Budget (P M)	Funding Source	Status
	Start	End			
Draft Quality Management System (QMS) Manual	Mar 2015	Dec 2015	0.495	RO-COB	On-going
Revision/Finalization of QMS Manual	Jan 2016	Mar 2016			On-going
BOT Approval of QMS Manual	Apr 2016	Jun 2016	-	-	Proposed
Conduct of internal audit by outsourced auditor	Sep 2016		0.100	RO-COB	Proposed
External audit by Certifying body & ISO Certification	Oct 2016	Dec 2016	0.350	RO-COB	Proposed

5. Measures Affected: Description SM18



METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM – REGULATORY OFFICE
MONITORING REPORT OF PERFORMANCE TARGETS

Socio-Economic Impact												
Component		Baseline			2016							
					1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter	
Objective/Measure	Formula	Weight	Rating Scale	2015	Target	Actual	Target	Actual	Target	Actual	Target	Actual
SO 1 Increased Number of Domestic Customers with Continuous and Safe Water Supply												
SM1	Number of water service connection served	No. of New Water Connection Installed / Projected No. of Water Service Connection	7.50%	Actual / Target x Weight	2,050,000	2,080,837	2,111,674		2,142,512		2,173,350	
SM2	Number of connections with 24hr and 7 psi water supply	Absolute Number	6.50%	Actual / Target x Weight	2,019,250	2,049,624	2,079,999		2,110,374		2,140,750	
SM3	Compliance of RO and concessionaire samples with PNSDW on bacteriological quality (i.e. 95% and above)	95% and above	6.50%	Actual / Target x Weight	Compliant	Compliant	Compliant		Compliant		Compliant	
SO 2 Accurate Water and Sanitation Charges												
SM4	Percent of compliance with IRR on Rate Classification a. Billing Scheme of High Rise Buildings	Absolute Number	8%	Actual / Target x Weight	20% of the total accounts covered by IRRs (a), (b) & (c)	35% of total accounts covered by IRRs (a), (b) & (c)	50% of total accounts covered by IRRs (a), (b) & (c) (cumulative)		65% of total accounts covered by IRRs (a), (b) & (c) (cumulative)		80% of total accounts covered by IRRs (a), (b) & (c) (cumulative)	

Component		Baseline		2016										
				1 st Quarter		2 nd Quarter		Revised Full Year Target		3 rd Quarter		4 th Quarter		
Objective/Measure	Formula	Weight	Rating Scale	2015	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
					(b) & (c) (cumulative)									
SO 3 Environment-Friendly Sewerage System														
SM5	Number of sewer connections		Actual/Target x Weight	165,000	166,218		167,436				168,655		169,875	
SM6	Percentage of samples from STPs compliant to DENR Administrative Order No. 35		Actual/Target x Weight	90.50%	90.50%		90.50%				90.50%		90.50%	
SM7	Number of septic tank dislodged		Actual/Target x Weight	85,000	22,395		44,790				67,185		89,581	
SO 4 Empowered Stakeholders														
SM8	Percent of issues addressed by the activities (public consultations, dialogues, briefings)	No. of issues addressed/ No. of issues raised	Actual/Target x Weight	90%	90%		90%				90%		90%	
SM9	Satisfaction rating from stakeholders	Milestone	<ul style="list-style-type: none">Procurement of Consultant = 2%Development of Methodology = 3%Actual Implementation = 4%	Milestone			Consultancy Contract awarded				Developed Methodology		Actual Implementation	



2016									
Component		Baseline		1 st Quarter		2 nd Quarter		3 rd Quarter	
Objective/Measure		Formula	Weight	Rating Scale	2015	Target	Actual	Target	Actual
SO 5 Improve Regulatory Monitoring Functions to Ensure Compliance to Service Obligation Targets									
SM10	Number of audits conducted:	Absolute Number	5%	• Procurement of auditors = 2% • Completion of audit = 5%	Milestone				
	b) Percent of CAPEX Disbursed Audited	Amount of CAPEX Disbursed Audited / Total Amount of CAPEX Disbursed	5%	Actual/Target x Weight	Audit 30% of CAPEX Disbursed (Unaudited 2012 - end of 2015)				Completed Audit
	c) Asset Condition Report Validation and Authentication	Milestone	3%	• Award of Contract = 0.5% • 408 Above-ground facilities = 2% • 180 Below-ground cut-outs = 3%	N/A				Audit of the remaining 45% of CAPEX disbursed for unaudited 2012 until end of 2015; Enhanced Capex Monitoring Manual
	Percentage of rate petitions resolved within 15 calendar days prior to intended implementation		7.50%	80 - above = 7.5% 70 - 79.0% = 6.5% 60 - 69.9% = 5.0% 50 - 59.9% = 3.0% 40 - 49.9% = 1.0% below 40% = 0.0%	70%				100% Validation of 408 above-ground facilities and 180 below-ground cut-outs
SM11									80%

INTERNAL PROCESS

Day

Component		2016									
		Baseline		1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter	
		Objective/Measure	Formula	Weight	Rating Scale	2015	Target	Actual	Target	Actual	Target
LEARNING AND GROWTH											
SO6 Attract, Develop and Retain Highly Competent Workforce											
SM16	Percent of employees trained	Actual employees trained/ total work force		3%	Actual/Target x Weight	80%					85%
SM17	Average Percentage of Required Competencies met	Milestone		3%	<ul style="list-style-type: none">Procurement of Consultant = 1%Competency Catalogue = 2%Board-approved Competency Framework / Model = 3%	Draft MOA with CSC					Board-approved Competency Framework / Model
SO 7 Develop and Implement Quality Management System											
SM18	ISO 9001 Certification			3%	<ul style="list-style-type: none">BOT-approved QMS Manual = 1%ISO Certification = 3%	Draft QMS Manual					ISO Certification
SO 8 Exercise Prudence to Optimize Use of Resources											
SM19	Budget Utilization Ratio	(Actual + Savings)		2%	Actual/Target x Weight	80% (107M/134M)					80%
				Total:	100%						
FINANCE											

for

