Eleanor Atienza
VP / 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

2015 June 24

Subject : **Surveillance Audit**

Dear Ms. Atienza,

Greetings!

Enclosed is our report on the ISO 9001:2008 Surveillance Audit conducted last 2015 April 27 for your company.

Thank you.

Best regards,

C. Gayatgay

Charlene Gayatgay
TÜV Rheinland Philippines Inc.
Technical Support
Systems Department

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CN 01 100 1432569

1st Follow 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

Audit Report

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Client	Standard(s)	Certification Number(s)	Audit Type
Bases Conversion and Development Authority (BCDA)	ISO 9001:2008	01 100 1432569	1st Follow up Audit

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Audit Leader :	Grace Del Rosario (GDR)
Audit Team :	Ramoncito Puyat
Management System Representative :	Arnel Paciano Casanova, President & CEO Eleanor Atienza, VP / QMR Patrick Roehl Francisco, Dept Mgr III, ODMD / DQMR
Audit Date :	27 April 2015

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.

☐	The last audit revealed nonconformities which have been demonstrably corrected. The corrections and corrective actions taken in this respect have been verified.
☐	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.
☑	The current audit revealed the following nonconformities: Standard(s): No. of nonconformity ISO 9001:2008 Zero (0)
☐	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)
☑	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 auditor therefore recommends

☐	Award of the new certificates.
☑	Maintenance of the existing certification. **(for ISO 9001:2008)**
☐	Inclusion of the changes (see Section 3) in the scope of application of existing certifications
☐	Maintenance or issue of the certificates only after successful completion of a re-audit.

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2 Scope

2.1 Description of the organization

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):	Interrelated Processes Concerning the Conversion and Development of All Land and Assets transferred to 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)	Audited
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	244	Interrelated Processes Concerning the Conversion and Development of All Land and Assets transferred to BCDA.	ISO 9001:2008	[X]

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3 Changes in the management system / Contract review

No major changes have been made to the management system and the management system documentation since the last audit. 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	General	Achievement of Major Final Output is commendable.
2	Management	- QMS cascading sessions for rank and file employees below the supervisory level is commendable - Development and release of QMS educational materials is commendable - The deployment of the Departmental and Individual Scorecards is commendable.
3	General	Data on documents, reports and records, and their actual and/or scanned copies are readily and easily accessible. This is very commendable.
4	Central Receiving and Releasing Area	The competence of the CRRA Receiving Clerk in explaining and demonstrating of the EDTS and related records is commendable.

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

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No.	Unit/Department Site	Recommendations and opportunities for improvement
1	Internal Audit	• Revisit the Internal Audit Program for the year 2015 to ensure that all processes were included. Also, consider to clearly define the applicable clauses of ISO 9001 to related processes. • Target completion date of corrective and preventive action can be consistently define on Corrective and Preventive Action Form. • Consider to evaluate the Internal Auditor performance.
2	Business Development Process	The monitoring of scorecard can be improved to ensure that on-going project from previous year target were being tracked.
3	Land and Asset Development Process	Consider to improve the performance evaluation report to ensure that the assessment is consistently based on the defined rating scale.
4	Purchasing	The completion of the supplier selection and evaluation will be verified next audit.
5	Customer Focus	Consider improving analytics for the needs and expectations of interested parties for better planning of customer satisfaction activities and survey purposes.
6	Project Site	Ensure that safety signages and devices are available and properly placed for safety of pedestrians.
7	GSD-PATSD	Improvement on scorecard monitoring can be considered to ensure timely update and period of coverage is clearly defined. Consider to improve the monitoring of Vehicle Ledger to ensure that the registration and insurance details are monitored. Consider automating the VRR process to ensure that the Control Number of the filed Vehicle Reservation Request (VRR) are consistently recorded.

5 Dates

Due Date for the next audit   2016-06-27

Agreed date for the next audit   2016-06-27 (-3/+0 months)

27 April 2015

_____   _____
Date   Grace Del Rosario
                                                                        Audit Leader

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Annex ISO 9001

Item	Audit result

Policy / objectives	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.
	
	Some of the Key quality objectives as agreed with the Governance Commission for GOCCs (GCG) include:
	• SO1 : develop the Baselands into World-Class Economics Centers
	  o 200has BCDA Economic Zones Area disposed according to Board-Approved Master Plan
	  o 200 Million pesos Actual Investment in BCDA Economic Zones
	• SO2: Optimize the Benefits of the country from the conversation and development of the baselands
	  o 2.20 Billion Pesos Total Remittance to the National Government
	  o Satisfactory Average Stakeholder Satisfaction Survey
	• SO3 Achieve Best value from disposition of lands
	  o 20% EBITDA Margin
	  o 1.50 Billion Pesos Cash Proceeds from Business Contrcats in BCDA Economics Zones
	  o 2.50 Billion pesos cash proceeds from regular accounts
	  o 3.50 Billion pesos cash proceeds from special projects
	• SO4 : Stregthen and steamline Project Management Processes
	  o 90 days Adherence to the asset disposition schedule per board approved timeline
	• SO5: Efficient Coordination with subsidiaries
	  o 15 working days average response time to issues raised by subsidiaries
	• SO6: Develop a Quality Management System (ISO 9001:2008) for all Processes
	  o Retained ISO certificate
	• SO7: Optimize the use of Information Technology
	  o 4 processes implementation of the ICT Plan
	  o Operational for CDC by end of 2015 establishment of the EZ Biz
	• SO8: Establish a competency – Based Framework for BCDA Personnel
	  o Board-approved competency based framework model

Process control including outsourced processes	The processes available in the organization have been identified and documented. Process workflows and interactions have been described and appropriately controlled. The processes are evaluated at regular intervals by means of key performance indicators.
	
	Key processes within the scope of product realization include:
	• Business Development
	• Land & Assets Development
	  o Surveying & Titling
	  o Master Planning
	  o Appraisal
	  o Inventory of Properties/Appraisal
	• Project Management

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	The following processes have been outsourced: • Consultancy Services (Masterplanning, Appraisal, Surveys, Special Studies, Financial, IT, Construction Design and Project Management) • Construction and Infrastructure Works • Janitorial & Security Services (HQ & Controlled Properties) These processes are appropriately reviewed and controlled.
Customer-related and other requirements	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. 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. The following process requirements significantly affect product or service quality: • 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 Key regulatory, statutory and customer-related requirements include: • 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) • 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	The organization maintains documented and effective procedures governing the handling of information, data analyses, improvement actions and responses to customer feedback. 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. Result shows that:

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	Internal Service Feedback Form **Period:** April 2014 to Dec. 15, 2014 **Respondents :** 375 **Result:** Top scores April to June : GSD & ODMD, June to July : GSD & ODMD, July to Aug. PAD & SSD, Aug to Sept. PAD & ODMD, Oct to Dec. : MU, ODMD , PMD **Survey for Merchants (Procurement Partners),** **Period:** July 2014 to Nov. 2014 **Respondents :** 34 **Result:** 69% Excellent, 30% Very Good, 1% Average, 0% Poor **Stakeholders Perception Studies,** **Period:** May 2014 to Sept. 2014 **Respondents :** 45 **Result:** Credibility and Trustworthiness (7.39), Prestige (7.33), Performance (7.14), Concern for Stakeholders (6.58) , Corporate Social Responsibility (6.17) **Survey For the AFP** **Period:** Sept. 2014 to Oct 15, 2014 **Respondents :** 60 **Result:** Top Three : Concern for stakeholders Performance per Mandate, Communication Satisfaction. Perceived Leadership Prestige **Customer complaint** is also being addressed by the organization through the Corrective Action Reports. There was no customer complaints received as of April 2015
Internal audit and management review	**Internal Audit** The organization measures MS implementation, maintenance and effectiveness by means of annually scheduled system audits. The organization reliably carries out these audits. There were 23 qualified Internal Auditor who attended and passed the Internal Audit Training. The latest internal audits were conducted last June 17 to Dec. 12, 2014 with the following result: 16 Nonconformities and 28 Observations. The nonconformities identified in these internal audits had been corrected by the time the audit documented in this report was performed. **Management Review** 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 December 16, 2014. The management review was carried out in accordance with the requirements and was effective.

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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	1	1	1	1	1	1	1	1	1	2	2
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	2	
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