

07 December 2022

ATTY. FELIX S. RACADIO

President and CEO
Poro Point Management Corporation
City of San Fernando, La Union

Dear **President Racadio**:

We are pleased to inform you that on 23 November 2022, the BCDA Board has approved your 2023 operating budget in the amount of Php165,310,375, broken down as follows:

Particulars	BCDA Funded	PPMC Funded	Total
Estate Management Fees	84,326,236	3,350,000	87,676,236
Land Related Cost	70,957,193		70,957,193
Legal and Regulatory		6,676,947	6,676,947
Total	155,283,429	10,026,947	165,310,375

The approval of the 2023 budget is subject to the following conditions:

1. The BCDA-approved budget should be approved by the PPMC Board prior to its implementation;
2. All expenditures should be disbursed within the approved budget. Supplemental budget and realignment of budget within the same expenditure group maybe allowed subject to the provisions of BCDA Financial Policy No. 503-1 (Request for Realignment and Supplemental Budget);
3. Prior written approval from BCDA and GCG shall be obtained in case of any change in the organizational structure that has present or future financial impact or increase in compensation package pursuant to Section 11 of Financial Policy No. 502-03, Republic Act (RA) No. 10149, Executive Order (EO) No. 150, series of 2022 and its implementing guidelines;
4. The approved budget shall be released based on the provisions of the Performance Agreement dated 22 May 2018 and BCDA Financial Policy No. 504-1 (Budget Releases to Subsidiaries);
5. Payment of Retirement Benefits shall be subject to applicable laws and government accounting/auditing rules and regulations;
6. Procurement of motor vehicles shall be subject to the issuance of the Authority to Purchase from the Office of the President and/or DBM;
7. Procurement of infrastructure projects shall be in accordance with RA 9184 and compliant with the requirements as contained in BCDA letters dated 24 October 2022 and 25 October 2022 (attached);

8. Payment for the outstanding obligations shall be allowed provided that there is an allocated budget for the said obligations, the contracts for the subject infrastructure projects have been executed prior to 2023, and the implementation thereof have been duly approved; and
9. Disbursement of the budget should be in accordance with the government budgetary, accounting and auditing rules and regulations.

We are enclosing your 2023 approved budget for your reference.

Thank you.

Very truly yours,

AILEEN AN. R. ZOSA

President and CEO

PORO POINT MANAGEMENT CORPORATION

Personnel Services

Budget Year 2023

Particulars	2023 Approved Budget	2022 Approved Budget
Salaries & Wages	39,609,756	40,637,882
Leave Monetization	2,196,550	7,348,264
Year-End Bonus	3,300,813	3,659,623
Mid-Year Bonus	3,300,813	3,300,813
Overtime	1,000,000	1,049,269
SSS, Philhealth & Pag-ibig Fund Premiums	2,554,010	2,443,384
Performance-Based Bonus	1,817,423	1,817,423
Representation and Transportation Allowance	1,620,000	1,620,000
Personnel Economic Relief Allowance	1,560,000	1,560,000
Retirement Benefits	556,121	396,556
Uniform Allowance	390,000	390,000
Cash Gift	325,000	325,000
Productivity Enhancement Incentives	325,000	325,000
Loyalty Incentives	105,000	35,000
Total	58,660,486	64,908,214

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24 October 2022

ATTY. FELIX S. RACADIO

President and CEO
Poro Point Management Corporation
City of San Fernando, La Union

Dear **President Racadio**:

As discussed during the meeting held on 18 October 2022, we would like to request you to review and provide the following documents required in the evaluation of your proposed 2023 Infrastructure Projects:

Project Description	Remarks
Poro Point Freeport Water Connectivity	<ul style="list-style-type: none"> • Bill of Quantities and Detailed Unit Price Analysis/Detailed Cost Estimates • Program of Works to include the start and target completion
Poro Point Freeport Zone Water Source	<ul style="list-style-type: none"> • Study and ensure the water availability of the selected shallow well locations • Bill of Quantities and Detailed Unit Price Analysis/Detailed Cost Estimates • Plans for the drilling of shallow wells • Program of Works to include the start and target completion • Recalculate subtotal of the plumbing and sanitary works for the chlorination house
Improvement of the San Fernando Airport Access Road and Parking	<ul style="list-style-type: none"> • Bill of Quantities and Detailed Unit Price Analysis/Detailed Cost Estimates • Details on the road improvement plan including the dimensions • Program of Works to include the start and target completion
PPMC Office/Multi-Purpose Rooms	<ul style="list-style-type: none"> • Bill of Quantities and Detailed Unit Price Analysis/Detailed Cost Estimates • Revised justification

Thank you.

Very truly yours,


GISELA Z. KALALO
Officer-in-Charge
Office of the Executive Vice President



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25 October 2022

ATTY. FELIX S. RACADIO
President and CEO
Poro Point Management Corporation
City of San Fernando, La Union

Dear **President Racadio**:

We refer to you for your consideration and appropriate action the recommendations made by BCDA-LADD in relation to the proposed construction of shallow wells in PPFZ.

Thank you.

Very truly yours,


HEDDA Y. RULONA
SVP and Chief Financial Officer

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Internal Memo

FOR : SVP HEDDA Y. RULONA, IFMG, BRAD *Appr'd HEDDA 10/07*

THRU : SVP JOSHUA M. BINGCANG, CDG *[Signature]*

OIC RYAN S. GALURA, SPMD *[Signature]*

FROM : VP RICHARD BRIAN M. CEPE, LADD *[Signature]*

LMO IV DARRYL F. GARCIA, LADD *[Signature]*

DATE : 05 OCTOBER 2022

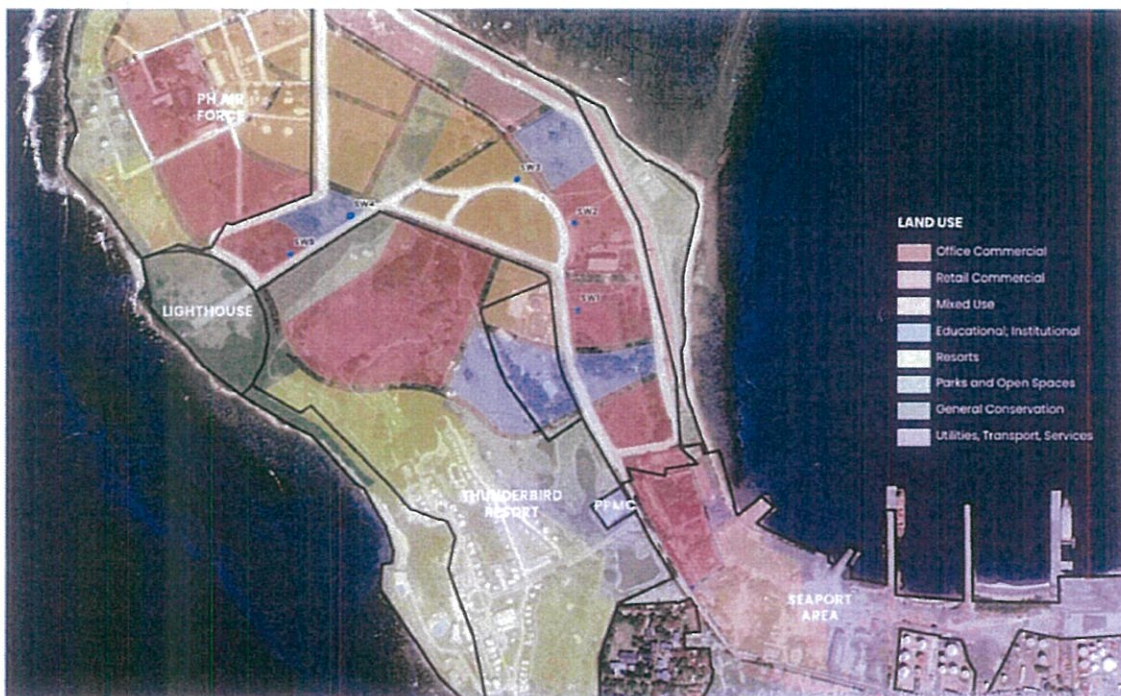
SUBJECT : LADD Comments to the PPMC Project: Shallow Wells within Poro Point Freeport Zone

Background

1. This is in reference to your internal memorandum dated 29 September 2022, with EDTS No. CB2022-1809, with the subject: Poro Point Freeport Zone (PPFZ) Water Source (*Annex A*).
2. The Poro Point Management Corporation (PPMC) intends to construct five (5) units of shallow wells with pumphouse and interconnectivity to the water receiving station.
3. BRAD requested for comments from the Land and Assets Development Department on the above mentioned project of PPMC.

Discussion

The Land and Assets Development Department generally support the proposed project of PPMC, as this will ensure sufficient water supply is available within PPFZ in the immediate future. The proposed locations, *indicative and are subject to ground survey to be sent by PPMC*, of the shallow wells is shown in the map below.



The proposed shallow wells fall within developable lots of Poro Point Freeport Zone:

Well No.	Affected Lot based on Master Development Plan	Development Phase based on CIMDP
Shallow Well 1	Commercial Block	Phase 2 (Year 4-6)
Shallow Well 2	Commercial Block	Phase 2 (Year 4-6)
Shallow Well 3	Mixed Use Block	Phase 2 (Year 4-6)
Shallow Well 4	Institutional Block	Phase 1 (Year 1-3)
Shallow Well 5	Commercial Block	Phase 1 (Year 1-3)
Water Receiving Station	Open Space Block	Phase 2 (Year 4-6)

The land area of the proposed shallow wells have not been provided to LADD, and as such, we cannot compute for the area reduction caused by the development of the shallow well utility lots.

It should be noted as well that water wells are not recommended for water supply infrastructure for PPFZ. Two options were provided in the approved Master Development Plan of the Poro Point Marine Headlands with regards to water supply infrastructure:

Option 1: Sourcing from service provider to PPFZ water storage tank

Option 2: Desalination plant (requires further feasibility study)

In the long term, PPMC should consider that drilling of wells may not be sustainable. At the interim, the shallow wells will be enough to supply the immediate demands needed by the current locators within PPFZ. But at full development, with an average water demand of 21.0 million liters per day (MLD), continued reliance on groundwater resource will not be sustainable. Excessive extraction from water wells might cause subsidence or settlement of the ground and will eventually deplete groundwater resource. To mitigate these potential impacts, we recommend adhering to the approved master plan and following the recommendations stated below:

- Incorporate swales in road designs, and nature-based design in the infrastructure development to assist in recharging groundwater resource;
- Implement rainwater harvesting design in developments in Poro Point; and
- Explore other sustainable options for water supply in Poro Point.

With regards to the plans and designs submitted by PPMC, LADD recommends the following:

- Hide the utility buildings (shallow well buildings) through landscape design and plantings
- Ensure compliance with the right of way design and recommended setbacks based on the approved master plan and DSG.
- PPMC to submit to LADD sketch plans of the proposed shallow well utility lots in CAD format.

FOR YOUR CONSIDERATION. THANK YOU.

PORO POINT MANAGEMENT CORPORATION

Summary

Budget Year 2023

Particulars	2023 Approved Budget				2022 Approved Budget			
	Estate Management Fee	Legal and Regulatory	Land Related Cost	Total	Estate Management Fee	Legal and Regulatory	Land Related Cost	Total
Personnel Services	58,660,486			58,660,486	64,908,214			64,908,214
Maintenance & Other Operating Expenses	20,225,750	6,376,947	29,246,193	55,848,890	16,373,912	1,141,827	25,526,817	43,042,556
BOD Expenses	7,130,000			7,130,000	6,830,000			6,830,000
Capital Outlay	1,660,000	300,000	41,711,000	43,671,000	2,152,715		27,208,000	29,360,715
Total	87,676,236	6,676,947	70,957,193	165,310,375	90,264,841	1,141,827	52,734,817	144,141,485

Funded by PPMC Corporate Funds

Particulars	Estate Management Fee	Legal and Regulatory	Total
MOOE			
Water, Illumination and Power Services		3,300,000	3,300,000
Security Services		1,554,508	1,554,508
Directors and Officers Liability Fund	1,000,000		1,000,000
Repair and Maintenance - Building and Facilities		965,000	965,000
Janitorial Services		375,712	375,712
Gasoline, Oil and Lubricants		100,000	100,000
Supplies and Materials		81,728	81,728
Anniversary Activities	850,000		850,000
Capital Outlay			
Interactive Digital Signage		300,000	300,000
PPMC Office/Multi-Purpose Rooms	1,500,000		1,500,000
Total	3,350,000	6,676,947	10,026,947

Subject to Actual Reimbursement

Particulars	Amount
Personal Services	
Leave Monetization	2,196,550
Performance-Based Bonus	1,817,423
Retirement Benefits	556,121
BOD Expenses	
Performance Based Incentive	704,000
Travelling Expenses	700,000
Meal Expenses	500,000
Total	6,474,093

PORO POINT MANAGEMENT CORPORATION

Maintenance & Other Operating Expenses

Budget Year 2023

Expense Title	2023 Approved Budget				2022 Approved Budget			
	Estate	Legal and	Land Related	Total	Estate	Legal and	Land Related	Total
Travelling Expenses	1,000,000			1,000,000	471,910			471,910
Communication Expenses	650,000			650,000	650,000			650,000
Internet Expense	225,000			225,000	225,000			225,000
Repair and Maintenance								
Office Furniture, Fixtures and Equipment	100,000			100,000	150,000			150,000
Building and Facilities	40,000	965,000	1,410,000	2,415,000	840,000	15,000	810,000	1,665,000
Supplies and Materials	2,622,813	81,728	1,089,195	3,793,735	2,137,458			2,137,458
Spare Parts and Servicing	650,000		850,000	1,500,000	150,000		1,400,000	1,550,000
Gasoline, Oil and Lubricants	400,000	100,000	100,000	600,000	400,000	100,000	100,000	600,000
Rental Expenses	50,000			50,000				
Water, Illumination and Power Services	700,000	3,300,000	2,200,000	6,200,000	700,000	100,000	2,700,000	3,500,000
Auditing Services	1,584,972			1,584,972	1,561,786			1,561,786
Corporate Planning	300,000			300,000	28,090			28,090
Trainings and Seminar	720,000			720,000	250,000			250,000
Extraordinary and Miscellaneous Expense	400,000			400,000	400,000			400,000
Representation Expenses	400,000			400,000	300,000			300,000
Subscription Expenses	50,000			50,000	54,750			54,750
Taxes, Duties and Licenses	100,000			100,000	100,000			100,000
Income Tax	2,000,000			2,000,000	2,000,000			2,000,000
Advertising, Promotional and Marketing Expenses	1,000,000			1,000,000	1,000,000			1,000,000
Fidelity Bond and Insurance Premium								
Fidelity Bond	90,000			90,000	90,000			90,000
Insurance and Registration	100,000		600,000	700,000	100,000		600,000	700,000
Insurance on Runway, Buildings, etc.	180,000		3,000,000	3,180,000	180,000		3,000,000	3,180,000
Directors and Officers Liability Fund	1,000,000			1,000,000				
Anniversary Activities	850,000			850,000				
Security Services	777,254	1,554,508	17,099,585	19,431,346	658,778	658,778	14,493,120	15,810,676
Year-End Activities	450,000			450,000	1,109,200			1,109,200
Janitorial Services	375,712	375,712	2,066,413	2,817,837	336,140	168,049	1,848,697	2,352,886
Competency-Based HR System					520,000			520,000
Corporate Social Responsibility	850,000			850,000	400,000			400,000
Environmental Management System	500,000			500,000	500,000			500,000
Stakeholders Satisfaction Survey	400,000			400,000	400,000			400,000
Aerodome Certification			500,000	500,000			400,000	400,000
ISO Certification	260,000			260,000	260,000			260,000
Website Design and Development					260,000			260,000
Legal Expenses			206,000	206,000			50,000	50,000
Annual Report	200,000			200,000	140,800			140,800
Business Research	100,000			100,000				
Trade Mission	1,000,000			1,000,000				
Automation of Permit and Licenses System						100,000		100,000
Automation of Project Monitoring System	100,000			100,000				
Survey and Other Related Works			125,000	125,000			125,000	125,000
Total	20,225,750	6,376,947	29,246,193	55,848,890	16,373,912	1,141,827	25,526,817	43,042,556

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PORO POINT MANAGEMENT CORPORATION

BOD Expenses

Budget Year 2023

Particulars	2023 Approved Budget	2022 Approved Budget
Per Diems		
Regular Board	1,344,000	1,344,000
Committee Meetings	792,000	792,000
Corporate Secretary	120,000	120,000
Other Expenses		
Transportation Expenses	1,320,000	1,320,000
Representation Expenses	1,320,000	1,320,000
Communication Expenses	330,000	330,000
Performance Based Incentive	704,000	704,000
Travelling Expenses	700,000	700,000
Meal Expenses	500,000	200,000
Total	7,130,000	6,830,000

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PORO POINT MANAGEMENT CORPORATION

Capital Outlay
Budget Year 2023

Particulars	QTY	Unit	Unit Cost	Budget Classification			Approved Budget
				Estate Management Fee	Legal and Regulatory	Land Related Cost	
Furniture, Fixture and Equipment							
Generator Set (Admin building)	1	unit	1,845,000			1,845,000	1,845,000
Generator Set (Security office)	1	unit	670,000			670,000	670,000
Interactive Digital Signage	2	unit	300,000		300,000	300,000	600,000
Aircon (split-type, 5 tonner)	2	unit	204,000			408,000	408,000
Aircon (window-type, 2HP)	4	unit	50,000			200,000	200,000
Aircon (split-type, 3 tonner)	2	unit	144,000			288,000	288,000
Sub-Total					300,000	3,711,000	4,011,000
Laptop	2	unit	80,000	160,000			160,000
4x2 Pick-up	1	unit	1,750,000			1,750,000	1,750,000
Infrastructure Projects							
Poro Point Freeport Zone Water Connectivity	1	lot	19,500,000			19,500,000	19,500,000
Poro Point Freeport Zone Water Source	1	lot	8,250,000			8,250,000	8,250,000
San Fernando Airport Access Road and Parking	1	lot	8,500,000			8,500,000	8,500,000
PPMC Office/Multi-Purpose Rooms	1	lot	1,500,000	1,500,000			1,500,000
Sub-Total			37,750,000	1,500,000		36,250,000	37,750,000
Grand Total				1,660,000	300,000	41,711,000	43,671,000

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