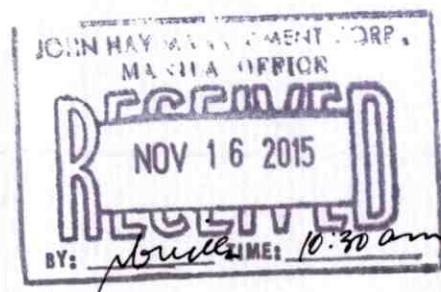


John Hay Management Corporation
a member of the BCDA Group
OPCEO-IN-2015-0916

06 November 2015

Honorable JAMIE ELOISE M. AGBAYANI, M.D.
President and CEO
John Hay Management Corporation
John Hay Special Economic Zone
Baguio City



Dear **Dr. Agbayani**:

We are pleased to inform you that on 28 October 2015, the BCDA Board of Directors approved your 2016 budget in the amount of **ONE HUNDRED TWENTY MILLION THREE HUNDRED EIGHT THOUSAND PESOS (Php120,308,000.00)** broken down as follows:

Particulars	Approved Budget
Personal Services	Php30,327,711
MOOE	77,781,289
BOD Expenses	7,362,000
Capital Outlay	4,837,000
TOTAL	Php120,308,000

The approval of the 2016 budget is subject to the following conditions:

1. The BCDA-approved budget should be approved by the JHMC Board prior to its implementation;
2. All expenditures should be disbursed within the approved budget. Supplemental and realignments of budgets within the same expenditure group maybe allowed subject to the provisions of BCDA Financial Policy No. 503-1;
3. Budget for Personal Services should not be realigned to any expense items, and vice-versa. Any change in the organizational structure that has present or future financial impact or increase in compensation package shall require BCDA and GCG's written approval prior to its implementation pursuant to Section 7 of Financial Policy No. 103-2 and RA 10149;
4. Implementation of Performance Based Bonus and Productivity Enhancement Incentive shall be subject to GCG approval;

[Signature]

5. The approved budget shall be released based on the provisions of the Performance Agreement dated 01 October 2012 and BCDA Financial Policy No. 504-1;
6. Authority to Purchase should first be secured from the Office of the President thru the Department of Budget and Management prior to the acquisition of motor vehicles;
7. Payment for outstanding obligations shall be allowed provided the obligations had been previously budgeted, approved for implementation and contracted prior to CY2016 budget year; and
8. Disbursement of the budget should be in accordance with the government budgetary, accounting and auditing rules and regulations.

We are enclosing your 2016 approved budget for your reference.


Thank you.

Very truly yours,



ARNEL PACIANO D. CASANOVA, Esq.
President and CEO



In replying, please refer to this number

CB2015-1203

JOHN HAY MANAGEMENT CORPORATION
SUMMARY
Budget Year 2016

PARTICULARS	2016 Budget	2015 Budget	Inc/(Dec)	
			Amount	%
Personnel Services (Annex I)	30,327,711	31,483,395	(1,155,684)	-4%
Maintenance & Other Operating Expenses (Annex II)	77,781,289	97,218,791	(19,437,502)	-20%
BOD Expenses (Annex III)	7,362,000	7,362,000		
Capital Outlay (Annex IV)	4,837,000	12,078,464	(7,241,464)	-60%
TOTAL	<u>120,308,000</u>	<u>148,142,650</u>	<u>(27,834,650)</u>	<u>-19%</u>

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Annex II
 JOHN HAY MANAGEMENT CORPORATION
 Maintenance & Other Operating Expenses
 Budget Year 2016

PARTICULARS	2016 Budget	2015 Budget	Inc/(Dec)	
			Amount	%
Travelling Expenses	2,200,000	1,850,000	350,000	19%
Travelling Expenses - BOD	800,000	800,000		
Communication Expenses	900,000	900,000		
Repairs & Maintenance				
Building & Facilities	1,690,000	953,000	737,000	77%
Furnitures, Fixtures & Equipment	300,000	350,000	(50,000)	-14%
Motor Vehicles	900,000	950,000	(50,000)	-5%
Supplies and Materials				
Office Supplies & Materials	2,150,000	2,050,000	100,000	5%
Gas, Oil & Lubricants	1,400,000	1,400,000		
Rent Expense	10,000	20,000	(10,000)	-50%
Water & Illumination	1,220,000	1,220,000		
Auditing Services	2,203,000	1,200,000	1,003,000	84%
Training & Personnel Development	1,650,000	1,000,000	650,000	65%
Representation Expense	1,600,000	1,500,000	100,000	7%
Meal Expenses - BOD	600,000	600,000		
Extraordinary & Misc. Expenses				
Subscription Fees	70,000	70,000		
Membership Fees	15,000	15,000		
Taxes Duties & Fees	220,000	105,000	115,000	110%
Marketing and Advertising Expense	3,323,289	1,320,000	2,003,289	152%
Fidelity Bonds Insurance Premiums				
Insurance Premiums	50,000	75,000	(25,000)	-33%
Car Insurance & Registration	220,000	280,000	(60,000)	-21%
Fidelity Bond	30,000	30,000		
Other Services				
Security Services	36,000,000	59,390,000	(23,390,000)	-39%
Barangay Segregation	1,453,000	1,300,000	153,000	12%
Legal Services	1,300,000	2,511,791	(1,211,791)	-48%
Professional Services	3,010,000	2,930,000	80,000	3%
Environment/Sanitary Services	2,460,000	2,110,000	350,000	17%
R.A. 9400 (Congressional Hearings)	500,000		500,000	
DOLF for JHMC Management		2,000,000	(2,000,000)	
DOLF for JHMC Board of Directors		2,000,000	(2,000,000)	
Public Relations Program	2,200,000	750,000	1,450,000	193%
General Services	1,142,000	1,014,000	128,000	13%
Janitorial Expenses	1,120,000	850,000	270,000	32%
Corporate Social Responsibility	830,000	500,000	330,000	
Consultancy Services	2,600,000	1,350,000	1,250,000	93%
Government Quality Management System Standards	1,000,000	500,000	500,000	
Printing and Binding	365,000	465,000	(100,000)	-22%
Scout Barrio Housing Program		460,000	(460,000)	-100%
Planning Expenses	400,000	400,000		
Gender and Development	1,000,000	1,000,000		
National Commission of Indigineous People	200,000	200,000		
Records Management	650,000		650,000	
Miscellaneous Expenses		800,000	(800,000)	-100%
GRAND TOTAL	77,781,289	97,218,791	(19,437,502)	-20%

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Annex III

JOHN HAY MANAGEMENT CORPORATION

BOD Expenses

Budget Year 2016

Particulars	Computation	2016	2015	Inc / (Dec)	
		Budget	Budget	Amount	%
I. Per Diems					
Per Diems - BOD Members	Php5,000 x 2 meetings x 12 mos x 10 BOD	1,200,000	1,200,000		
Per Diem - BOD Chairman	Php5,000 x 1.20% x 2 meetings x 12 mos	144,000	144,000		
Per Diem - Committee Meetings	Php3,000 x 2 meetings x 12 mos x 11 BOD	792,000	792,000		
Per Diem-Corporate Secretary	Php5,000 x 2 meetings x 12 months	120,000	120,000		
II. Other Expenses					
Transportation Expenses	Php10,000 x 12 mos x 11 BOD	1,320,000	1,320,000		
Representation Expenses	Php10,000 x 12 mos x 11 BOD	1,320,000	1,320,000		
Communication Expenses	Php2,500 x 12 mos x 11 BOD	330,000	330,000		
Performance-Based Incentive		2,136,000	2,136,000		
Total		7,362,000	7,362,000		

Annex IV
JOHN HAY MANAGEMENT CORPORATION
Capital Outlays
Budget Year 2016

Item	Description	Quantity	Unit	Unit Cost	Amount
Buildings & Structure Outlay					
Asphalt Overlay Pavement	road length = 127m				2,365,000
Sub-total					2,365,000
Office Equipment, Furniture & Fixtures					
Lightning Arrester	Early Streamer Warning Time: 63 psn; Protection Diameter: Level-1=82; Level-2=90 Level-3=101 Level-4=111 (NFC-17-102 Std.)	2	units	175,000	350,000
Speaker, sound system	Pair of outdoor/indoor speakers	1	unit	20,000	20,000
Photocopier	Heavy Duty	1	unit	112,000	112,000
Sofa Set	for the new SEZ Building	1	set	30,000	30,000
Mini Conference Table	for the new SEZ Building	1	unit	10,000	10,000
Sub-total					522,000
IT Equipment and Software					
Printer	A3+, Original 4-color ink tank system	1	units		
Photo Printer	Direct Printing onto CDs/DVDs, Original Ink Tank System, A4	5	units	20,000	100,000
UPS	Rack Mountable Type, 2000VA/1300Watts	1	unit	20,000	20,000
Computer Operating System	Volume License for Microsoft Windows 8.1 / 10	1	unit	60,000	60,000
Office Application Software	Volume License for Microsoft Office	1	lot	160,000	160,000
Anti-virus Software	50 users, protection against viruses, spyware, worms, Trojans and more	1	lot	360,000	360,000
Scanner	Automatic duplex (2-sided) Scan up to A4, High Speed Automatic Colour Document Scanner, Scan, Colour scan	1	unit	60,000	60,000
Laptops	14inch screen size, 1366x768 resolution, Core i5 processor, 4GB DDR3L memory, Windows 8.1 operating system, 1TB HDD, 8X DVD-Super Multi double-layer optical drive, 2GB Video Memory	1	unit	25,000	25,000
Desktop	i7 processor, 4GB memory, 2 GB video card, 1TB HDD, 18.5" screen monitor, Keyboard, Mouse, UPS, Windows 8.1 operating system	2	units	40,000	80,000
Projector	2,800lm White and Colour Light Output, 3,000:1 contrast ratio, XGA (1,024 x 768). Up to 1080p, USB Capable	1	unit	45,000	45,000
Digital Camera	Compact, Approx. 20.1 Megapixels, XGA (1,024 x 768). Up to 1080p	1	unit	30,000	30,000
Sub-total					950,000
Motor Vehicle	Multi Purpose Vehicle, Diesel Fuel Type, 7 Seater, Manual Transmission, 2494 cc Engine, 5 Doors	1	unit	1,000,000	1,000,000
Total					4,837,000