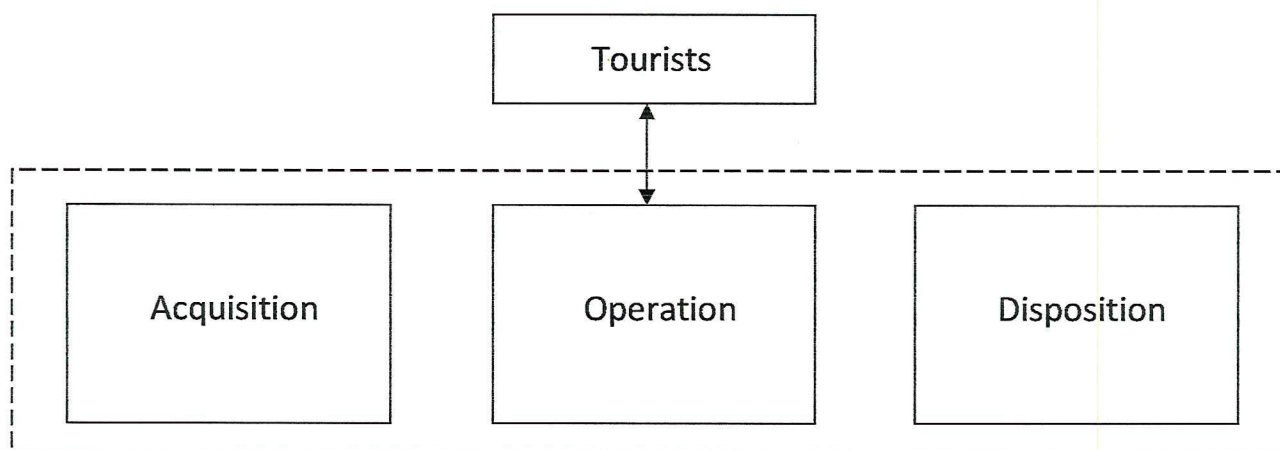
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## 6. Business Process

### 6.1 The Core Processes


#### (A) Assets Management



#### 1. Acquisition of Assets


Acquisition of assets may be done through different modes, such as, but not limited to, purchase, lease, donation, by operation of law, or usufruct. Acquisition may be a result of a Business Development Plan. It may also be due to a management directive; or the possible expansion of the TIEZA asset; or the establishment of an additional revenue source or the implementation of a business tourism convergence plan.

It is the responsibility of the Business Research and Development Division (BRDD) to monitor and document assets acquired. The BRDD, after a diligent study of any property, owned, possessed or related in any way to the existing assets of TIEZA, may recommend the development of a new revenue source or the expansion of the property.

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## 2. Operation of Assets

The operation of assets is part of the mandate of TIEZA to jumpstart tourism development in a tourism destination. The operation and management of the entity/asset is implemented by the Operations Department (OPED) through Resident Manager (RM). OPED coordinates with the Human Resource Management in hiring competent staff that will perform duties needed in operating the entity/asset. It will, likewise, provide training opportunities to the staff to update and improve their knowledge and skills with the present hospitality industry standards and the adoption of the latest trends in technology.

The Business Development Department's (BDD) business development plan for the entity/asset shall be the framework of operations. The business plan is reviewed and revised yearly to suit client needs, industry trends and to update information technology. They are supported directly by Sales Division relative to its marketing, promotions, and sales activities, and by the Operations Department on their logistical and budgetary requirements, and that, at the same time, monitors its quarterly performance and targets.

The Management Informations Systems Department (MISD) assists the OPED and BDD in encoding and maintaining database of information relative to the promotion, marketing, financial and monitoring of entities. MISD updates the software system used by these departments as needed.


The Resident Managers conducts the management, operations and marketing of revenue-generating TIEZA entities based on set policies,

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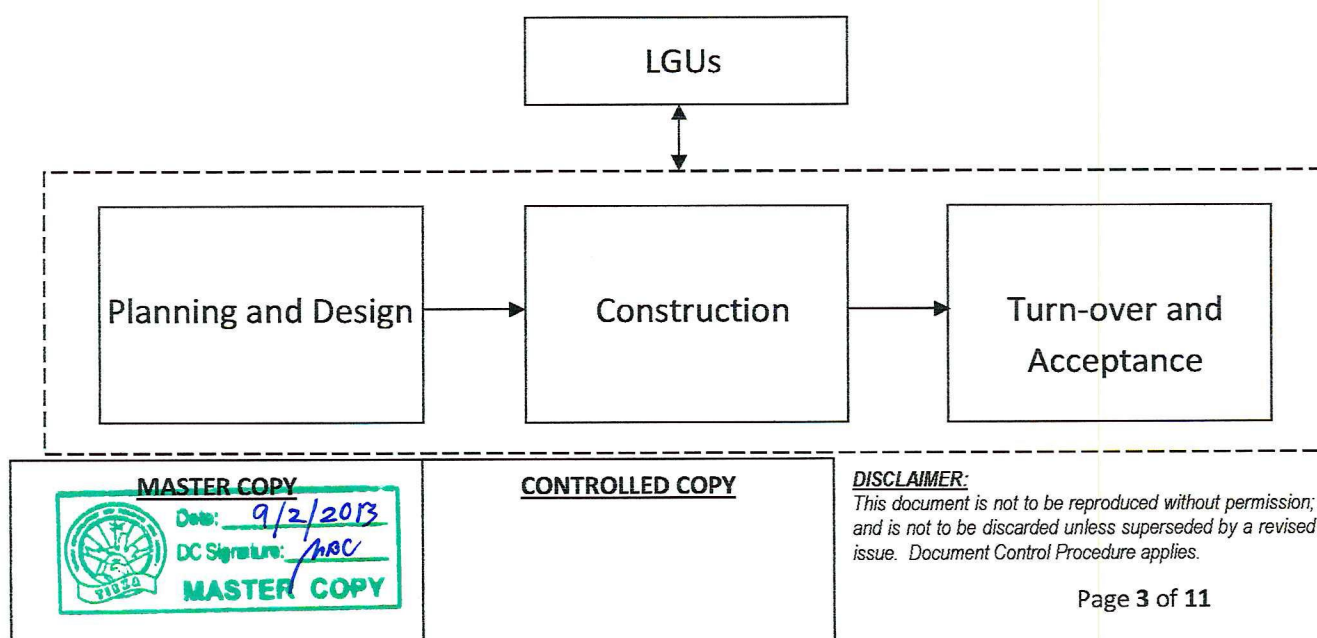
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rules and regulations in the Operations Manual. Resident Managers submits monthly financial and management reports and recommendations. Requests for major repairs and purchase of equipments are done by the RMs as needed.

### 3. Disposition of Assets

Disposition of assets covers the operating and non-operating assets of TIEZA as directed by the Board, pursuant to a long standing national policy of government to privatize operation, management, or the entire assets to eradicate government with non-performing assets and optimize its utilization. A Privatization Plan is drawn out once a decision to dispose is final. The plan indicates a brief description of the asset, the mode of disposition, its recent valuation, a calendar indicating the schedule of the privatization activities and the significant inputs to the privatization Terms of Reference. Solicited proposals is the preferred approach, however, unsolicited proposals are not prohibited as long as it is subject to a swiss challenge for transparency and best and advantageous deal in favour of government.

#### (B) Tourism Infrastructure Project Management



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Infrastructure projects are selected based on a system of prioritizing, processing, and evaluating project requests from various third parties. The infrastructure projects are classified as tourism-related which are in harmony with the National Tourism Development Plan (NTDP) 2012-2016 promulgated by the Department of Tourism (DOT). Generally, infrastructure projects that are given priority for funding are those that are consistent with the NTDP and for improvement, rehabilitation or construction of tourist facilities that have direct revenue features sufficient to sustain their operating and maintenance costs.

For the proposed projects, the Project Evaluation and Planning Department (PEPD), conducts technical inspection to validate the site and to coordinate with the proponents regarding TIEZA infrastructure requirements.

The PEPD reviews and evaluates plans, program of works (POW), ownership of land, and other requirements submitted by the proponent or prepares detailed engineering design documents consisting of architectural and engineering plans, program of works (POW), specifications, and PERT CPM diagrams in accordance to the requirements of National Building Code and R.A. 9184, for proponent with no technical capability.

Once documentary requirements are complete, the project is submitted for approval of the TIEZA Board. Once approved, the project is scheduled for public bidding that will be conducted by the TIEZA Bids and Awards Committee (BAC). The winning bidder is awarded the Notice of Award and eventually the Notice to Proceed in compliance to RA9184 or the Procurement law of the Philippines.


Approved plans and POW of awarded projects are forwarded to the Construction Management Department (CMD) for implementation and

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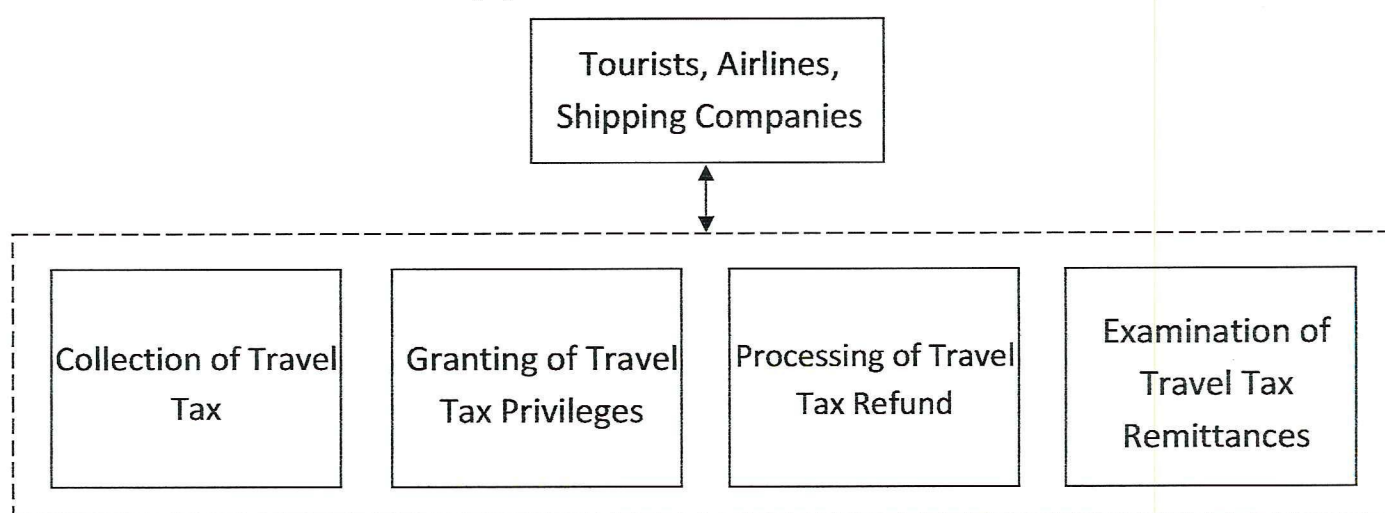
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project monitoring. During implementation, a joint inspection between the PEPD and CMD is conducted. Upon completion of the project, the CMD turns over project to the proponent who accepts the project for management and operation in accordance with the Memorandum of Agreement (MOA).

### (C) Travel Tax Administration



It is the policy of the Travel Tax Department (TTD) to ensure that travel tax is collected from citizens of the Philippines and permanent resident aliens who are leaving the country irrespective of the place where the air ticket was issued and the form and place of payment, as provided for by Presidential Decree 1183, as amended.


Aside from travel tax collection, the TTD provides the following services:

1. Granting of Travel Tax Privileges such as travel tax exemption or reduced rate for qualified individual/s such as but not limited to the following: foreign diplomatic representatives, Filipino overseas contract workers, international carrier crew, Philippine foreign service personnel, etc. and their dependents, as applicable.

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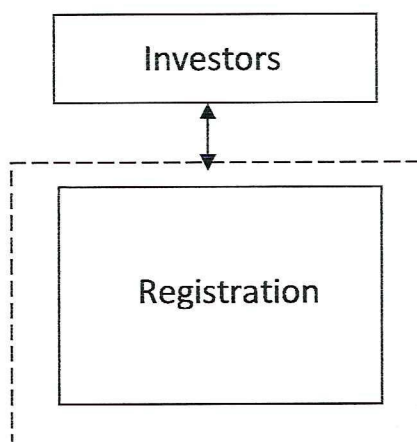
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2. Processing of Travel Tax Refund for cases such as: unused tickets including cancelled flights or offloaded passengers, non-coverage, exemption/reduced travel tax, downgraded ticket, double payment, and undue tax.

To ensure efficiency of travel tax collection, the TTD through the Examination Division (ED), conducts regular examination of travel tax collection and remittances by airline and shipping companies. Examination of appropriate books and records is done through desk audit, field audit, and post audit activities.

#### (D) Tourism Enterprise Zone Management



#### Designation/Registration

It is the policy of the TEZ Regulation Department (TRD) to provide efficient and transparent service to private investor applicants. Pre-qualification documents submitted are evaluated for completeness and authenticity prior to notification to submit pre-designation/registration document and a comprehensive development plan.


The TRD evaluates the documentary requirements and prepares an Evaluation Report to top management for Board deliberation. Once approved by the

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Board, TIEZA and applicant-investor sign Certificate of Designation or Registration. The TRD issues the signed Certificate of Designation or Certificate of Registration to the TEZ Operator or the Registered Tourism Enterprise respectively.


## 6.2 Planning for Product and Service Realization

In planning, the TIEZA core processes determine the quality objectives and requirements for the services and infrastructure projects to be undertaken. As appropriate, the need for resources, required verification, and monitoring and measurement activities, are also determined.

## 6.3 Client-Related Processes


### (a) Determination and Review of Client Requirements

The TIEZA determines the requirements of the tourists, the LGUs, the travel tax payers, airlines and shipping companies, and investors. These requirements are those that are stated and not stated by the clients, the applicable statutory and regulatory requirements related to the services and infrastructure projects, and any additional requirements considered necessary. These may include but not limited to: the actual service that they need, presence of clear and precise instructions and information, applicable statutory and regulatory requirements such as R.A. 9593, P.D. 564, P.D. 1183 etc., timely delivery of product or service, and courteous and professional conduct of employees. These requirements are reviewed by concerned process owners to ensure that these are defined and understood. When there are changes in the requirements, relevant documents are amended and concerned process owners are made aware of the changes.

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(b) Client Communication

TIEZA through, the Operations Department (OPED) together with the operating entities and Business Development Department (BDD), Travel Tax Department (TTD), and TEZ Regulation Department (TRD), has determined and implemented effective arrangements for communicating with clients in relation to:

1. Product and service information through websites, social media, brochures, presentations, sales calls, attendance in travel marts / activities.
2. Enquiries, contracts including amendments or order handling for concessionaires and investors.
3. Feedback, including complaints from the tourists, LGUs, investors, and airline and shipping companies.

## 6.4 Design and Development

(a) Design and Development Planning

The Business Research and Development Division (BRDD) and Project Planning and Design Division (PPDD) study, plan, and recommend the design and development of business development, and the privatization plans and the infrastructure projects by determining the stages of design and development, the required review, verification, and validation that are appropriate to each stage, and the responsibilities and authorities for the design and development.

(b) Design and Development Input


Design and Development inputs include functional and performance requirements, research and study on the market, financial viability, socio-economic impact, national tourism plans or national priority plans,

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management directives or strategic objectives and initiatives identified by TIEZA, applicable statutory and regulatory requirements such as National Building Code, applicable laws, ordinances, and other government issuances, and as applicable, information derived from previous similar designs such as previously conceptualized and designed master plans.

(c) Design and Development Output

The BRDD and PPDD ensures that output of the design meets the input requirements of the design, provides appropriate information for purchasing and production and service provision, contains reference product acceptance criteria, and specifies the characteristics of the product for its safe and proper use.


(d) Design and Development Review

At suitable stages, design and development of product is reviewed by concerned process owner to evaluate the ability of results to meet requirements and to propose necessary actions for identified problems during the review.

(e) Design and Development Verification and Validation


Concerned process owner conducts verification to ensure that design and development output meets the input requirements. Validation is also performed to ensure that the resulting product is capable of meeting the specified requirements or its intended use. Where practicable, validation is performed prior to delivery or implementation.

(f) Control of Design and Development Changes

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The BRDD and PPDD ensures that any changes in the design and development are identified, reviewed, verified, validated as appropriate, and approved prior to implementation.

## 6.5 Production and Service Provision

### (a) Control of Production and Service Provision

Delivery of services and infrastructure projects are carried out under controlled condition by ensuring the availability of information, office standard operating procedures and work instructions as necessary, use of suitable equipment such as computers, printers, and plotters, implementation of monitoring and measurement activities, and implementation of project or service release, delivery, and post-delivery activities such as warranty provisions or maintenance activities.

### (b) Identification and Traceability

TIEZA ensure that status of projects and services are identified and traceable throughout the realization process. Identification includes but not limited to application number, name of applicant, transaction number, project name, project codes, etc.

### (c) Client Property


TIEZA regards information derived from clients such as personal information and supporting documents, as client property. While under TIEZA's control or being used, these are properly identified, verified, protected, and safeguarded. If any of these is lost, damaged, or otherwise found to be unsuitable for use, TIEZA shall report this to the client and records maintained.

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(d) Preservation of Product and Services

For infrastructure projects, these are preserved through monitoring of the constructors performing the work, during construction, and implementation of maintenance activities during the warranty period. For services being provided, preservation applies to proper handling of documents and records being generated during internal processing until delivery. Preservation includes, as applicable, identification, handling, packaging, storage, and protection.

Approved by:



**MARK T. LAPID**  
Chief Operating Officer

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